

**FBIS****DAILY REPORT  
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ALFONSIN DISCUSSES IMF, FALKLANDS ISSUES

PY081332 Madrid EFE in Spanish 0851 GMT 8 Jun 84 .

[Excerpt] Buenos Aires, 8 Jun (EFE) -- During an exclusive interview granted to EFE shortly before departing for Spain, Argentine President Raul Alfonsin called for the creation of a Latin American community of nations. He said: "We favor the idea of a Latin American community of nations," and "we believe that the actions currently under way in this direction are very positive."

The Argentine politician indicated that he is convinced that Spain "can make an interesting contribution to Latin American integration and as things progress concrete achievements will start to be noted." Concerning relations between the two countries, Alfonsin said that "they will continue to be strengthened and we will help each other to resolve common problems."

The interview took place in Alfonsin's office at Government House and presidential spokesman Jose Ignacio Lopez was also present. During the interview the president reviewed his first 6 months in power and lamented having been unable to curb inflation. He stated that Argentina's democracy is "irreversible" and added that Spain "is already helping" to strengthen this democracy. He emphasized that Spain can exert its influence in the Paris Club or by speaking up on the Malvinas issue at NATO. "It can also champion our cause at the EEC," and undertake other similar actions.

Alfonsin reiterated that Argentina is prepared to "sign a letter of intent with the IMF very shortly," and indicated that this could happen before he leaves for Spain. "We will reach an initial accord with the IMF and we will continue with the economic policy devised in December 1983. No one will make us forsake this essential commitment to the Argentine people," he said.

He went on to say that the IMF "tries to set the guidelines for domestic economic policies," but "we believe that Argentina's problem is different from those of other countries, which means that the same formulas do not apply."

As to the Malvinas issue, Alfonsin said that Great Britain "persists in its arrogant behavior" and emphasized the threat which "making the Malvinas into a stronghold, which could turn the Atlantic into another Indian Ocean," poses for the continent. On possible agreement with Great Britain, Alfonsin said that no concessions will be made if they imply the signing of other accords such as the Tlatelolco treaty on nonproliferation of nuclear weapons. Alfonsin said: "We will never sign a nonproliferation treaty because it is discriminatory, but neither are we interested in putting nuclear energy to uses other than peaceful."

Alfonsin submitted that the delay of the investigation into the outrages of the military during their repression of terrorism "is not normal." He added that the National Commission on Missing Persons has been given a 90-day extension to prepare its final report which will be submitted to the military court and then to the civilian court. The president went on to say that the Armed Forces "are fully aware of the need to operate within the democratic framework by playing their role in this stage of Argentina's history, during which we are trying to rebuild the nation."

## Criticizes Negotiations With UK

PY081357 Buenos Aires DYN in Spanish 1340 GMT 8 Jun 84

[Text] Buenos Aires, 8 Jun (DYN) -- President Raul Alfonsin today said that "everything is bad" concerning the unofficial negotiations being conducted with Great Britain which seek to resume the talks on the Malvinas Islands issue and the relations between the two countries. In this regard, the chief of state added that there is an "extraordinary arrogance on the part of the British Government." Alfonsin voiced these statements during an interview that he granted to Spanish radio [Radio Nacional de Espana], an interview that was relayed here by the Magdalena and the news program of Radio Continental.

## Marks 'Rights' Day

PY101536 Buenos Aires TELAM in Spanish 1339 GMT 10 Jun 84

["Text" of message to the nation by President Raul Alfonsin on 10 June marking the day of the affirmation of Argentine rights over the Malvinas, Georgias, and South Sandwich Islands; message released by the Public Information Secretariat]

[Text] The Malvinas Islands represent a symbol of a sovereign claim that all Argentines support. This feeling and this conviction came to life as early as our own nation did, as was stated by Governor Martin Rodriguez who on 10 June 1829 signed a decree which we recall today:

"Despite the fact that the circumstances have not yet permitted us to give to that part of the territory of the Republic the attention that it deserves because of its importance, and considering that it is not possible to further delay the adoption of measures that should safeguard the rights of the Republic...the military-political governorship [commandancia] of the Malvinas Islands is hereby created."

Let us reflect for a moment on the situation that prevailed when that decision was made and on the significance it has. Let us recall that our fatherland was troubled by internal and external problems. At that time, Argentines did not agree to any mutilation of their territory, just as we do not agree to any mutilation now. On the date that we commemorate today, the decree signed by Governor Rodriguez installed a peaceful government in the islands where, under the Argentine flag, men from all nations were able to live and work.

Despite all this, Great Britain resorted to force and, taking advantage of our weakness, the then most powerful nation of the world seized the islands in an action that our young nation would oppose with only the heroic reaction of a handful of men. Argentina has neither forgotten nor resigned itself to this situation. The Argentine position, which is based on our legitimate rights, has grown stronger; our nation has permanently demanded that its rights be respected. Our fatherland has been confident that the world would finally understand and support its just claims.

The position that Argentina has traditionally supported, a position based on principles, has yielded results. In fact, almost 20 years ago, the United Nations recognized that we have legitimate rights over the Malvinas Islands and recommended that Great Britain and our country begin diplomatic negotiations to find a peaceful solution for the dispute, a stance that Argentina has always supported. We have never created obstacles, been reluctant to negotiate, or sought to delay negotiations.

On 2 April 1982, after 150 years of British colonial rule, the de facto government decided to undertake the military occupation of the Malvinas and South Georgia Islands. It is imperative that the people assess that action, in which their dearest feelings were invoked and in which their children were called to sacrifice. But it is also imperative that nobody forget the courage and heroism of our men, who will be forever honored by our fatherland.

Let nobody misunderstand us. War is not our method, but on behalf of our dead we have assumed the commitment not to relinquish our claims. During the 2 April commemoration I said: "We believe that good will is reflected by actions and we are waiting for British actions that should also reflect good will." We will continue to insist that we are willing to engage in talks in which we may exchange ideas, explain possibilities, offer broader guarantees to the inhabitants of the southern islands, ease tensions, demilitarize the area, and explore sincerely and in good faith the possibility that serious negotiations may be held on Argentina's sovereign rights. The international community has borne witness to the Argentine Government's willingness to negotiate. We have manifested our willingness to negotiate in every diplomatic note we sent to Great Britain. It is clearly written on paper.

In turn, the documents that the British Government has sent to us reflect inflexibility and unwillingness to negotiate. Should this situation remain unchanged, all nations will clearly know who is hindering negotiations and who is creating tension in this part of the world. It is unacceptable, and we will not admit it, that this area, which has been thus far unaffected by international confrontations, should become an area of tension in the superpower conflict due to the British determination to build a military fortress there.

Let nobody mistake a peaceful position for neglect, diplomacy for weakness. Argentines are neither weak nor willing to relinquish their claims. We have the powerful moral strength of our rights and of the prestige that Argentina has recovered. We will use them. It is our irrevocable decision.

#### Declares Historic Sites

PY101611 Formosa Radio Nacional in Spanish 1430 GMT 10 Jun 84

[Excerpts] This morning a ceremony was held in the parade grounds of the 29th Infantry Regiment in La Victoria to commemorate the Argentine rights over the Malvinas, Antarctic, and South Atlantic Islands. The ceremony was attended by the provincial government minister, (Vicente Joga), representing the Executive Branch. During the ceremony Lieutenant (Carlos Daniel Bukman) read the decree declaring historic sites in the Malvinas Islands and decorating two Malvinas veterans. The decree says:

[Being (Bukman) recording] Executive Branch Decree No 1,734, Buenos Aires, 8 June, 1984. Whereas Law 20,561 declares 10 June the day of affirmation of the Argentine rights over the Malvinas Islands and Antarctic area; proposals have been made by the ministers of interior, defense, and education and justice; this is the appropriate time to render honors to those who fell during the military actions in the Malvinas, Georgias, and South Sandwich Islands in 1982; and the method to perpetuate the valor of those actions and the heroic deeds of those who were killed in the defense of our sovereign rights is to declare as historic sites those places where members of the Argentine Army, Air Force, and Navy lost their lives, the president of the Argentine nation decrees:

Article 1. In honor of those who fell during the struggle for the recovery of the Malvinas, Georgias, and South Sandwich Islands, the following sites are hereby declared historic: Puerto Argentino, Darwin, Goose Green, San Carlos, Fox Bay, Port Howard, Borbon Islands, and Grytviken.

Article 2. It is so ordered.

Signed: Raul Ricardo Alfonsin, President of the Nation [end recording]

PRESIDENT DECREES UNION ELECTIONS AT TWO LEVELS

PY081704 Buenos Aires BUENOS AIRES HERALD in English 8 Jun 84

[Text] (NA-DYN) -- President Raul Alfonsin last night decreed union elections at the factory and federation levels within 90 days. The decree was sent immediately to Congress where the President has requested a parliamentary law to support the initiative described as a "national unity" effort in the 28-article plan.

However, while the government won unified General Confederation of Labour (CGT) support for the election plan, a new battle-front was opened almost simultaneously. The CGT blasted the government for following the military regime's "dictatorial authoritarianism" in trying to wrest control of workers' social welfare funds away from the unions.

The presidential decree calls for elections in the 767 unions still run by administrators, transition committees, or leaders with extended mandates. Only the 414 unions having held elections during the military regime will be exempted.

Major points contained in the decree include: electoral boards made up of current union leaders and one representative of each eligible opposition grouping; the amendment of union statute within 60 days of elections so as to include minority representation on union boards; and control of the polls by either the electoral courts or the labour ministry, the choice being left to the individual union.

First, or factory, level elections are to be held within 60 days of congressional passage of the election plan. Second, or federation, level polls would be held within 90 days. The important metal, transport, textile, railway, construction, and restaurant workers' unions are considered first level groupings. Teachers, business clerks, and power workers, along with 63 other unions, would hold polls at the second level.

In the foreword to the decree Alfonsin said the plan "ratifies the objectives of union democracy" and is the result of labour ministry efforts inspired by the presidential call for national unity.

In its harsh statement on the future of social welfare funds, the CGT statement warned that "national unity can't be built on top of plundering which is what we have to call state intervention into the social welfare funds." The CGT specifically rebuked Health and Social Action Minister Aldo Neri, whose ministry oversees the funds, for trying to "perpetuate the dictatorial aggression against the contributions."

ALFONSIN DEPARTS FOR 5-DAY VISIT TO SPAIN

PY102120 Buenos Aires TELAM in Spanish 2034 GMT 10 Jun 84

[Text] Buenos Aires, 10 Jun (TELAM) -- President Raul Alfonsin departed at 1730 for Spain. During his 5-day official visit to Spain, he will meet with the Spanish king and queen and Prime Minister Felipe Gonzalez, and he will attend a special session of parliament.

'POWERFUL' TNT BOMB FOUND ABOARD PERON'S PLANE

PY081816 Buenos Aires DYN in Spanish 1735 GMT 8 Jun 84

[Text] Buenos Aires, 8 Jun (DYN) -- Reliable sources from Ezeiza airport have reported that a TNT bomb was found today aboard the airplane taking Maria Estela Martinez de Peron back to Spain. The source said that the bomb was found aboard the plane by Air Force policemen who were making a thorough inspection of the plane, which was scheduled to depart at 1700. It has also been revealed that the bomb was rather powerful and had it gone off it could have provoked a real disaster.

## Discovery of Bomb Confirmed

PY082105 Buenos Aires TELAM in Spanish 2030 GMT 8 Jun 84

[Excerpt] Buenos Aires, 8 Jun (TELAM) -- At Ezeiza airport today Aeronautics Police Director Colonel Guillermo Mendiberry confirmed the discovery of 1/2 kg of TNT in the plane that was going to take the former president [Maria Estela Peron] back to Spain. He added that nobody has yet been arrested in connection with the incident.

Mendiberry said that the bomb was probably planted by airport personnel, adding that it was placed in the nose of the plane where the engine's computer and electronic equipment are located.

## Air Force Issues Communique

PY082237 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2040 GMT 8 Jun 84

[Communique issued by the Air Force General Staff; date not given]

[Text] In a routine search the National Aeronautics Police normally carry out on all airline planes, an explosive device was found in an Argentine Airlines 747 which was to depart at 1700 (2000 GMT) for Madrid. With the assistance of members of the Explosives Department of the Federal Police the explosive device was detonated in the vicinity of the airport.

## Peron Departs

PY082120 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2106 GMT 8 Jun 84

[Text] Buenos Aires, 8 Jun (NA) -- The Boeing 747 carrying former President Maria Estela Martinez de Peron to Madrid took off a few minutes ago. The airplane is similar to the one she intended to board for this trip but which was taken out of circulation when 400 grams of TNT were found in the nose of the airplane.

## Peron Arrives in Madrid

PY091614 Madrid EFE in Spanish 1215 GMT 9 Jun 84

[Excerpt] Madrid, 9 Jun (EFE) -- Former Argentine President Isabel Peron told EFE today on her arrival at Madrid's Barajas Airport that she had no knowledge of who would want to kill her or of the political motive for such an attack. Isabel Peron arrived in Madrid from Buenos Aires on board an Argentine Airlines Boeing 747. The flight was delayed in Buenos Aires when a TNT bomb was found in the nose of the plane. The bomb would have blown the plane apart if it had exploded in flight.

CAPUTO ON CARTAGENA MEETING, BEAGLE CONFLICT

PY081340 Buenos Aires Domestic Service in Spanish 1030 GMT 8 Jun 84

[Text] At the meeting of Latin American economy and foreign ministers to be held in Cartagena, Colombia, our country will stress the mechanisms of dialogue, but in a realistic manner, with no dramatics, seeking to adopt technical measures in line with the terms of the document issued by the presidents of the four countries. This statement was made yesterday by Foreign Minister Dante Caputo, who was then asked whether the Beagle conflict will be solved this month. He answered, no, absolutely not. The important thing, he added, is that negotiations continue and that some progress has been achieved. This is not in keeping with the climate of anxiety created on this issue. Of course, if the conflict is solved this month, that would be better still, he concluded.

BANK OFFICIAL RESPONDS TO SECRETARY REGAN

PY081737 Buenos Aires Domestic Service in Spanish 1600 GMT 8 Jun 84

[Text] The imposition of embargoes or other sanctions is not foreseeable against a country willing to pay its foreign debt, although it is unable to pay it now. This statement has been made by Buenos Aires Provincial Bank President Aldo Ferrer in response to remarks made yesterday by U.S. Treasury Secretary Donald Regan.

As is known, Regan criticized our country for seeking a long-term refinancing plan. Ferrer stated that Argentina is (?using) a substantial percentage of its resources to pay the interest on its foreign debt. He added that we are living below our means, and we must set a ceiling to the interest that we must pay. The Argentine possibility to pay its debt and to solve the most urgent problems of the country depends on the socioeconomic agreement to curb inflation and to begin economic development, Ferrer added.

CLARIN CITES GOVERNMENT-PARTIES ACCORD

PY090105 Buenos Aires CLARIN in Spanish 8 Jun 84 p 5

[Text] "The national government and the country's political forces, aware of the seriousness of the situation the country is experiencing, maintaining each one its own party identity, and without relinquishing the responsibilities assigned to them by the electoral results on 30 Oct 1983, have addressed the treatment of those problems on the solution of which the country's destiny depends.

"The dialogue was guided by the certainty shared that the rechanneling of the self-reliance and the efforts of all Argentines for a common project of society in which basic values and clear-cut rules for living together are shared can no longer be procrastinated.

"Only through solidarity is it possible to achieve the unity that the present situation requires. The appeal for national unity is in no way exhausted by the positive response that we have received from the political parties. The remaining institutions and the dynamic forces within society must also be active factors in this reconstruction effort, they being aware that the performance and the success of sectorial projects ultimately depends on the nation's activity.

"For all these reasons we state herewith that:

"1. National unity and harmony are basic requirements to adequately cope with existing difficulties and with difficulties that may arise in the future. Only in an atmosphere of good rapport based on viewpoints shared by all Argentines will the aspirations for the nation's greatness and for the people's well-being come true.

"2. The constitutional order and the republican and federal system must always be preserved and strengthened, as is the case with the democratic regime and the pluralistic tenets which favor the participation of all the citizens in the nation's activities.

"3. The fundamental institutions of the Argentine society, starting with the family, must be respected and supported. The church and the diverse creeds will be able to fulfill their mission. The Armed Forces, in strict compliance with the constitutional order, will have the support necessary to ensure national defense as an integral part of the nation. The labor unions and the business and professional organizations will be freely able to defend the interests of their constituents. Freedom and development possibilities will be ensured for intermediate organizations.

"4. The consolidation and strengthening of the national identity require that traditional values regarding religious beliefs, ethics, and cultural mores which are characteristics of the Argentine people be positively protected and promoted.

"5. Social justice and popular participation give substance to democratic life. The steady increase in real salaries, the strengthening of trade union organizations, social works institutions and other worker organizations, the support to large families, the expansion of popular housing programs, the equal distribution of these opportunities to all social sectors and to all the provinces are concrete forms of social justice, which reinforce the people's participation.

"6. The comprehensive and harmonious development of all the resources with which the country is endowed, the increase of agricultural productivity, and the expansion of industrialization to all the regions are objectives that cannot be overlooked.

"7. The territorial integration, with special emphasis placed on border areas and most neglected regions, especially the Patagonia, constitutes a national priority.

"8. The promotion of demographic growth until an optimum population distribution is achieved throughout Argentina is a goal that cannot be deferred.

"9. The research and the development on our own of the most advanced technologies, starting with what has already been achieved in the nuclear field, a field that will always serve peaceful ends, is fundamental for our national liberation and growth. However, this does not preclude the acquisition of modern technologies which are available elsewhere in the world.

"10. The Argentine foreign policy is sovereign and is based on the following criteria: an unrestricted respect for the principles of self-determination and nonintervention; relations with all the countries in the world regardless of their ideologies; and the establishment of new contacts and the strengthening of all existing ties, that may bolster independent national development and Latin American unity and integration, with special emphasis on the southern cone."

"11. The acceptance of Pope John Paul II's suggestions and proposals for peace on the Beagle conflict will allow a peaceful and final solution to our border conflict with Chile, will ratify the bioceanic principle and our rights in the Antarctic, and will begin the consideration and approval of several projects of economic and social cooperation and integration between the two nations. We want to express our acknowledgement of the pope's continuous concern for peace and rapprochement between Chile and Argentina.

"12. Diplomatic negotiations between Argentina and Great Britain must include the subject of our sovereignty over the Malvinas, South Georgia, and South Sandwich Islands. Argentina condemns and rejects the idea of the "Fortress Malvinas" and the so-called "exclusion zone." Our country will intensify diplomatic action in the United Nations to seek a peaceful solution that will recognize our rights over that unrenounceable part of our national territory.

"13. The renegotiation of the foreign debt must be carried out based on an economic program which will allow the development of Argentina's full potential, without detriment to the nation's interests and dignity. This will allow us to obtain conditions and resources to face the commitments without affecting the well-being of the workers and without obstacles to the reactivation and development of the country. With this in mind, it is very important to make joint efforts with other Latin American debtors. This point action has already begun and will be intensified in the future. In this manner, not only will all types of pressure be rejected, but warning will be given that the commitment to pay is subject to the legitimacy of the debt.

"14. The seriousness and the depth of the inherited crisis demand the establishment of guidelines for reconstruction. This reconstruction must be supported by three pillars: reactivation of the productive apparatus, strengthening of real salaries, and the subsequent gradual curbing of inflation. Moreover, the achievement of an effective social agreement on income policy is very important for increasing real salaries in the context of full employment and a growing economy. Thus, the restoration of salary purchasing power and of pension incomes must be made compatible with the recovery of the capacity for saving and capital accumulation, as well as with the modernization of the productive apparatus. We stress the importance of planning to offer precise guidance to the economic agents who must assume their responsibilities. As far as investments are concerned, priority attention will be paid to domestic capital, although it has been agreed that all those foreigners willing to invest in the country will be welcomed provided they are willing to meet the objectives of national development.

"15. The seriousness of the problems affecting the provinces demands a commitment to balance national necessities with provincial needs and demands.

"The signing parties leave open the possibility of expanding the framework of agreements reached upon the basic commitment of defending the democratic, republican, and federal political system as provided for by the Constitution. Another fundamental commitment is to unwaveringly defend the freedom and dignity of man and the respect for the will of the people expressed through the ballot. Finally, the signatories must also fulfill the unrenounceable commitment to guarantee social justice based on national reconciliation, rejection of terrorist actions, and recognition of any attempt to overthrow by force the legally constituted authorities as treason to the fatherland."

SILES ZUAZO SWEARS IN NEW FINANCE MINISTER

PY090208 La Paz Cadena Panamericana in Spanish 0000 GMT 9 Jun 84

[Excerpt] President Hernan Siles Zuazo today swore in Oscar Bonifaz as the new finance minister in a ceremony which was held in the president's office. Present at the ceremony were some members of the cabinet, members of the UDP [Democratic and Popular Unity] Executive Committee, and other government officials.

FERNANDEZ DENIES BOYCOTT, DISCUSSES SUMMIT

PY090205 La Paz Cadena Panamericana in Spanish 0000 GMT 9 Jun 84

[Excerpts] Foreign Minister Fernandez Saavedra has categorically rejected any possibility that Bolivia will be subjected to any kind of boycott by other Latin American nations to block Bolivia's participation in the Cartagena economic summit. Fernandez Saavedra said that speculation in this regard that has been published in the press is just that, mere speculation.

Latin American diplomatic sources in Brasilia have warned that Bolivia may not be included in the Colombian economic summit since it estranged itself by decreeing the suspension of foreign debt payment for 4 years. According to the Bolivian foreign minister the alleged boycott against Bolivia is against the Latin American spirit of solidarity that has prevailed since January's Quito Latin American economic summit.

On Cartagena Summit

PY081403 La Paz Cadena Panamericana in Spanish 1130 GMT 8 Jun 84

[Text] Foreign Minister Gustavo Fernandez Saavedra confirmed on 7 June that Bolivia will attend the summit of Latin American nations in Cartagena, Colombia, on 21 and 22 June, at which regional foreign debt problems will be discussed. Foreign Minister Fernandez said that Bolivia fully supports the proposal of Argentina, Colombia, Brazil, and Mexico to have Latin American nations jointly discuss the problems which are pushing up interest rates and the cost of debt servicing with private international banks.

The foreign minister also voiced his support for a telegram which Brazil, Colombia, Argentina, Ecuador, Mexico, Peru, and Venezuela have sent to the summit of industrialized nations which is taking place in London asking for a review of the terms of Latin America's foreign debt, which amounts to \$350 billion.

DEBT POSTPONEMENT TO BE CONFIRMED AT SUMMIT

PY081847 La Paz Cadena Panamericana in Spanish 1700 GMT 8 Jun 84

[Excerpt] Bolivia will confirm its decision to postpone the payment of its foreign debt at the summit meeting of Latin American finance and foreign ministers which will take place in Cartagena, Colombia. This is what Bolivian Integration Minister Jorge Ayoroa Balderrama said on 8 June.

He indicated that this is a problem which worries all Andean Pact nations and I am given to understand that it will be discussed by the foreign ministers.

He went on to say that the Cartagena summit is a very important meeting because it will give the Bolivian Government a chance to explain its stand concerning the foreign debt.

#### SANTA CRUZ MAYOR CALLS MUNICIPAL ELECTIONS

PY091410 La Paz Cadena Panamericana in Spanish 1130 GMT 9 Jun 84

[Excerpt] The call for municipal elections that has been made by Oscar Barbery Justiniano, the mayor of Santa Cruz City, has been called seditious by the government.

Interior Minister Federico Alvarez Plata, in a note that he has sent to that mayor, indicates that the decision is arbitrary and that it also violates the Constitution.

We remind you that our correspondent reported yesterday that the mayor of Santa Cruz, in an edict that was released by the townhall, has called for elections that are to be held within 120 days. It was also reported that the Pro-Santa Cruz Civic Committee and other organizations support the measure.

#### TV ACTIVITIES NORMALIZED, NEW MANAGER APPOINTED

PY091616 La Paz PRESENCIA in Spanish 1 Jun 84 p 9

[Excerpt] Information Minister Mario Rueda Pena has reported that the National Television Enterprise will resume its activities today under the management of Luis Gonzales, who was appointed by the president. He added that during a meeting between the president and Bolivian Labor Federation (COB) mediator Filemon Escobar, basic agreements were achieved that would lead to the normalization of activities in that enterprise.

The information minister reported that workers will have a greater representation on the board, with the right to vote, and that the COB will have "free access to Channel 7 within the pluralist, ideological, and cultural union framework."

#### BRIEFS

FRG ACCORD -- Bolivia and the FRG have signed an agreement for financial and technical cooperation. Financial cooperation encompasses mining, agriculture and livestock, public health, sanitation, powerlines, infrastructure and many other fields with projects amounting to DM117.93 million, while technical cooperation in the fields of mining, agriculture and infrastructure will require an investment of DM27.4 million. The FRG delegation was headed by Rolf Redford Schroeder, head of the Southern Latin America Department of the Economic Cooperation Ministry. [Summary] [La Paz EL DIARIO in Spanish 25 May 84 p 3 PY]

NEW INDONESIAN AMBASSADOR -- So Etadi, the new Indonesian ambassador to Bolivia has presented his credentials to Bolivian President Hernan Siles Zuazo. [Summary] [La Paz PRESENCIA in Spanish 27 May 84 p 3 PY]

SENATE PRESIDENT RETURNS -- Julio Garret Ayllon, president of the Bolivian Senate returned to La Paz on 24 May after a lengthy tour through America, Europe, and Asia. [Summary] [La Paz EL DIARIO in Spanish 25 May 84 p 3 PY]

'OFFICIAL COMMUNIQUE' SAYS NO ARMS SALES TO IRAN

PY081841 Rio de Janeiro JORNAL DO BRASIL in Portuguese 7 Jun 84 p 20

[Text] Sao Paulo -- Brazilian manufacturers of heavy weapons are not allowed to sell their products to Iran, according to an official communique issued to industrialists early this year when an Iranian mission came to Brazil to purchase arms. As a result, the Iranians, according to a leader of the national ordnance industry decide to buy from Argentina.

According to the source, the Iranians were called to Brazil by the military authorities, and for this reason they came on an official visit. But they were annoyed by the government's decision, claiming that "the Brazilian-made weapons possessed by Iraq are killing their fellow countrymen."

The businessman revealed that the Iranians were surprised by the fact that they had been invited by the military, and only after they visited some factories were they informed that Brazil would not trade heavy weapons.

The businessman showed a telex which arrived early this week from his office in Tehran saying that relations between Iran and Brazil are being reviewed. According to the text of the telex, "there is constant strain, since Brazil does not even have an ambassador in Iran. But it does have one in Baghdad, Iraq."

Business with Iran, for new machinery and steel purchases, is making little progress, the businessman, who is exporting to Iran, said. He added that Interbras [Petrobras International Trade, Inc.] and other private exporters are also concerned. The targeted 1984 trade of \$500 million will hardly be reached, exporters say.

Brazilian arms manufacturers have reported that the Iranians are buying heavy weapons from the Argentine ordnance industry, such as the Military Industries (FM), which belongs to the Army.

BOLIVIAN FOREIGN MINISTER MEETS WITH GUERREIRO

PY090003 Brasilia Domestic Service in Portuguese 2200 GMT 8 Jun 84

[Excerpt] Foreign Minister Saraiva Guerreiro met today in Brasilia with Bolivian Foreign Minister Gustavo Fernandez Saavedra who expressed his government's solidarity with the letter that seven Latin American countries sent to the summit of the industrialized countries.

Saavedra noted that the Bolivian Government believes that the indebtedness of Latin American countries has ceased to be technical problem and has become a political issue affecting the socioeconomic development of the region.

MALUF SCORES PDS PRIMARY, CHAVES APPROVES

PY081856 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 8 Jun 84

[Text] The primary election of the PDS [Social Democratic Party] is still far from attaining the goal of uniting the party behind a single candidate for the presidency of the Republic. Even though it was thoroughly praised as it was launched, the idea of achieving party unity ended in failure. This is a report filed by Carlos Rodrigues:

Deputy and presidential candidate Paulo Maluf and the pro-Maluf group in Congress are working to prevent the holding of the PDS primary election in which the party should choose its candidate for succeeding President Joao Figueiredo. In a written statement and during a press conference, Maluf categorically rejected the inclusion of his name in the primary.

[Begin Maluf recording] I will not agree to the inclusion of my name in any unconstitutional primary election. The national PDS convention that will convene on 2 September is the only valid primary. In my opinion, the convention is the only constitutional and legal primary. [end recording]

PDS President Senator Jose Sarney has said that if the party national Executive Board approves the primary, it will be held in July. Vice President Aureliano Chaves has said that the primary election is democratic and that it will give broader opportunities for consultation at party level.

[Begin Chaves recording] This PDS initiative, which provides broader opportunity for consultation, has a particularly important feature, namely, that it strengthens our party to the extent that it [words indistinct] consultation, our councilmen, our mayors, our state deputies, our party leaders and our representatives in Congress. [end recording]

Maluf: Primary 'Meaningless'

PY091506 Rio de Janeiro O GLOBO in Portuguese 8 Jun 84 p 3

["Letter" issued by presidential candidate Paulo Maluf in Brasilia on 7 June]

[Text] "Among the principles that guide my public life, I place two as the most important: support and respect for politicians.

"Among the PDS [Social Democratic Party] presidential hopefuls, I am the only one that has already toured the states and a large number of municipalities more than once; expressing my ideas, my intentions, and programs directly to governors, former governors, senators, deputies, prefects, councilmen, and members of party boards.

"Therefore, I do not fear the judgment of my fellow party members from any level because I know that more than any other PDS leader I have the majority of Brazilian politicians following me.

"I have great respect for prefects and councilmen because as president I will govern with them. I am proud of being a former prefect.

"But, merely 90 days before the holding of the convention, an improvised 'primary,' which has not been approved by Congress, has been called in a vain effort to alter the rules of play of the election.

"The law does not provide for the holding of party primaries. It establishes that the election of candidates is the exclusive competence of the party convention before which all those who fulfill the political, legal, and party requirements can present themselves. The real primary is the party convention.

"Since it is not authorized by any law, the holding of a 'primary' would be meaningless because no one would be obliged to accept the results. Convention voting is free and secret.

"Therefore, my only commitment is to the party convention, and its members, senators, federal and state deputies, state delegates, governors, former governors, prefects, councilmen, and party rank and file members; the holding of a primary would mean that there are doubts about the representativity of convention delegates who were elected in

It would also be an offense to convention members.

"I subject myself to what is established in the law. Therefore, I do not accept the inclusion of my name in a "primary."

"The only primary I support is the party convention, which is free and sovereign and in keeping with the rules of the superior electoral court, where all PDS political trends are represented and where all of them must freely deliberate in a true, democratic atmosphere."

Chaves to Focus on PDS Primary

PY081904 Sao Paulo Radio Bandeirantes in Portuguese 1555 GMT 8 Jun 84

[Text] [Vice President] Aureliano Chaves will freeze his contacts with the opposition and with [Minas Gerais Governor] Tancredo Neves for selecting a single presidential candidate and will concentrate on the PDS primary where he would have a good chance of winning.

OPPOSING PARTIES TO HOLD NATIONAL PLEBISCITE

PY091358 Madrid EFE in Spanish 0035 GMT 9 Jun 84

[By Zoilo Martinez de la Vega]

[Excerpts] Rio de Janeiro, 8 Jun (EFE) -- Tonight, opposing political parties decided to summon the Brazilian people to participate in a national plebiscite and vote on whether they are against or in favor of electing Figueiredo's successor through direct elections. The call was agreed to by the governors of strategical states such as Leonel Brizola of Rio, Franco Montoro of Sao Paulo and Tancredo Neves of Minas Gerais, and by Ulysses Guimaraes and Luis Ignacio de Silva, also known as Lula, presidents of the PMDB [Brazilian Democratic Mobilization Party] and Labor Party respectively.

Although the participants in the meeting held in Rio agreed to decide on the opposing presidential candidate after the plebiscite, it is presumed that all parties support the election of Minas Gerais Governor Tancredo Neves.

EXISTENCE OF SECRET POLICE FUND CONFIRMED

PY081936 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 8 Jun 84

[Excerpt] Sao Paulo Public Security Secretary Michel Temer yesterday denied a charged leveled by court of audit member (Orlando Sancrame) that the police spent more than 20 billion cruzeiros from secret funds last year. Temer explained that the police received 16 million cruzeiros a month last year and spent less than 200 million cruzeiros, not 20 billion, during the entire year. However, Temer confirmed the existence of secret funds although, he said, they are subject to restrictions.

[Begin Temer recording] I want to confirm the existence of the regulation that was mentioned by court member (Sancrame). Under this regulation, both the civilian and the military police of Sao Paulo are entitled to spend funds from a budget allocation for their own procedures. This spending is not subject to verification. However, I have already ordered that such spending be kept under 300 million cruzeiros. [end recording]

COMPANY SELLS 5,000 CLUSTER BOMBS TO IRAQ

PY082200 Santiago Radio Cooperativa in Spanish 1715 GMT 8 Jun 84

[Text] The Chilean company Cardoen has sold 5,000 cluster bombs to Iraq. A news agency report datelined New York reported this by noting that Chile had sold over 5,000 cluster bombs similar to nuclear weapons [similares a armas nucleares] to Iraq.

Radio Cooperativa has learned that the Cardoen Company does indeed manufacture cluster bombs. Radio Cooperativa also contacted (Carlos Cardoen), the director of the company, who said that these kinds of transactions are always secret. But he said that since this time the transaction was made public through the news agency report, he did not deny the transaction and that on the contrary, he confirmed the sale of the 5,000 cluster bombs.

Moreover, a high-ranking Chilean Foreign Ministry source has told Radio Cooperativa that this is a normal trade transaction. The source noted that no authorization is needed for this kind of transaction. It added: It is just like any other sale.

The news agency report notes that Chile has sold over 5,000 cluster bombs similar to nuclear weapons [similares a armas nucleares] which are deadlier than nerve gas and which can kill a great number of enemy troops by spreading over an area equivalent to 10 football fields.

DEL VALLE SIGNS JOINT COMMUNIQUE WITH URUGUAY

PY090210 Santiago Domestic Service in Spanish 1730 GMT 8 Jun 84

[Text] The Chilean and Uruguayan foreign ministers have issued a joint communique reaffirming bilateral relations. Jaime del Valle and Carlos Maeso, who will conclude his 4-day official visit to Chile tomorrow, focused their talks on economic and social aspects and matters of common interest. They also analyzed the international economic crisis, particularly the intensification of protectionist measures and the situation concerning Latin American debts.

Furthermore, they strongly repudiated the alarming increase in terrorism throughout the world and condemned these actions because they are aimed at disturbing the foundations of the legal and social order on which the stability of the international community is based, noting that the same is now seriously threatened.

The two ministers also signed a basic telecommunications agreement to improve the systems in their respective countries.

JARPA COMMENTS ON POLITICAL PARTIES BILL, MDP

PY081443 Santiago Domestic Service in Spanish 1100 GMT 8 Jun 84

[Excerpts] Interior Minister Sergio Onofre Jarpa has said that within 6 months the political parties could be functioning legally. He also recalled that the government junta has a 60-day deadline for approving the draft bill on political parties. Jarpa made these statements after meeting with Uruguayan Foreign Minister Carlos Maeso who is on a 4-day official visit to Chile.

Asked whether the political parties could be functioning within 6 months, Jarpa said:

[Begin Jarpa recording] I believe so; I do not see why not. I understand that the government junta has asked for a 60-day time limit to decide on this issue. The law will be enacted as soon as it is approved.... [end recording in progress]

Regarding the so-called Peoples' Democratic Movement (MDP), Jarpa said that it is just another mask of the outlawed Communist Party.

[Begin Jarpa recording] I believe that Article 8 of the Constitution is quite clear. Totalitarian groups and the activities in which they engage are outside the Constitution. [end recording]

#### DEMONSTRATIONS MAR PINOCHET RALLY IN ARICA

PY082110 Madrid EFE in Spanish 1400 GMT 8 Jun 84

[Text] Arica, Chile, 8 Jun (EFE) -- A total of 14 persons, among them six students, have been detained for creating disorder during a rally in honor of President Augusto Pinochet. According to information released today, the events took place at the flag stand [pergola de las banderas], which was out of sight of the president's box. The detainees were released a few hours later and received summonses to appear before the local court on charges of causing public disorders.

There were also incidents in the Tarapaca University of Arica which caused the dean to suspend classes.

President Pinochet is touring northern Chile. His tour started in Arica, 2,000 km north of Santiago, and will finish in Antofasta, 1,600 km north of Santiago.

#### TERRORISTS DESTROY PUDAHUEL COMMUNITY HALL

PY090151 Santiago Domestic Service in Spanish 1730 GMT 8 Jun 84

[Text] A terrorist incendiary attack has totally destroyed a community hall in Pudahuel district in Santiago. The subversive criminals left flags of the outlawed Movement of the Revolutionary Left, MIR, and pamphlets. This time, terrorists chose to attack the [words indistinct] of community hall No 59 of Pudahuel, located at 1616 Lisboa Street. The explosion totally destroyed the building. It was later found that the terrorists had planted a Molotov cocktail.

#### RELATIVES OF POLITICAL PRISONERS DEMONSTRATE

PY092040 Santiago Radio Cooperativa in Spanish 1715 GMT 9 Jun 84

[Excerpt] About 50 relatives of political prisoners today held a demonstration that lasted from 6 to 7 minutes at the intersection of (Pedro Miras) and Santa Rosa Streets. The demonstrators carried a banner and briefly interrupted street traffic. The banner urged people to save the lives of political prisoners.

BETANCUR WELCOMES OLADE REPRESENTATIVES

PA080345 Paris AFP in Spanish 0022 GMT 8 Jun 84

[Text] Bogota, 7 Jun (AFP) -- Colombian President Belisario Betancur said here today that it is necessary to further strengthen Latin American ties and suggested that the Bolivarian countries integrate their electric power systems.

The Colombian head of state spoke at Narino Palace while welcoming the participants in an OLADE meeting beginning today, speaking at length about the projects that are to be studied at that forum. Referring to the conference of the heads of state of the world's seven most important industrialized countries, which is being held in London and to which seven Latin American presidents sent a document dealing with this continent's foreign debt, Betancur said: "Praise be to God, may they listen."

He noted that this meeting is being held at a dramatic time, from the economic and political viewpoints, and stressed that "the world is waiting for answers."

The president also stressed Colombia's solidarity with the other debtor countries, "despite the fact that our situations differ," explaining that the problem "was created not by our countries but by the international banking system."

In reply to the Colombian President, Guatemala's Alejandro Contreras, OLADE president, stressed that Latin America has the necessary energy and human resources to be self-sufficient.

Meanwhile, OLADE has begun an examination of various means of financing energy projects and of new methods of cooperation in that area.

During the meetings, which will continue through Friday, the participants will discuss a regional plan for new and renewable energy resources, which is to be submitted to the United Nations at a meeting that is scheduled for late June in New York.

The meeting in Bogota is being attended by ministers Cesar Cals de Oliveira Filho, of Brazil; Alejandro Contreras, of Guatemala; Erik Tjon Kie Sim, of Suriname; Arturo Hernandez Grisanti, of Venezuela; Eliseo Mendoza, Mexican under secretary of mines and energy; Ulises Ramirez, OLADE's executive secretary; and Carlos Martinez Simahan, Colombian minister of mines and energy.

OIL TO BE PURCHASED FROM MEXICO DUE TO GULF WAR

PA082002 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 8 Jun 84

[Text] Bogota -- In view of a likely oil shortage due to the Iran-Iraq war in the Persian Gulf, Colombia will purchase 15,000 barrels of oil a day from Mexico. The announcement was made by Carlos Martinez Simahan, Colombian minister for energy and mines, after President Belisario Betancur and the Latin American Energy Organization, OLADE, met at Narino Palace.

In addition, the minister announced that Colombia and Venezuela plan to build an interconnected energy system between Barranquilla and Caracas. This system will provide energy to either of the two countries if one suffers an energy shortage. He also said a similar program with Ecuador is being considered, and that the project will be handled by the Tequia hydroelectric plant. The minister added that Colombia will also export coal to Central America as a contribution to the area countries' economic recovery.

VENEZUELAN ENERGY MINISTER ON GULF CRISIS

PA090414 Bogota Cadena Radial Super in Spanish 1730 GMT 8 Jun 84

[Report by Jesus Garzon Guerrero]

[Text] Bogota -- The U.S. Government is viewing with concern future oil production and has urged its western allies to draft an emergency plan in the event of an oil crisis resulting from the conflict between Iran and Iraq. We asked the Venezuelan mines and energy minister, Dr Arturo Hernandez, about this.

[Begin recording] [Hernandez] It is a delicate situation which, if further extended, could be very serious for the world economy. The Government of Venezuela is quite concerned over this situation. Yesterday we met with President Jaime Lusinchi and the foreign minister to analyze the problem. We are concerned for a number of reasons: First, the conflict between Iran and Iraq, two important OPEC members, has grown considerably. In fact, and for the benefit of the Colombian public, I take this opportunity to inform the people of this country that the founders of OPEC were, in alphabetical order, Iraq, Iran, Kuwait, Saudi Arabia, and Venezuela.

[Garzon Guerrero] Colombia, in an effort to alleviate the situation, has considered buying 15,000 barrels of crude daily from Mexico. What will Venezuela do in that event?

[Hernandez] We are interested in the stability of the market, that is the main exporters and producers. Demand for oil has been dropping since 1980, and it is now, in 1984, that we begin observing a certain increase in demand. In order to consolidate that demand, it is necessary to promote the economic recovery of the industrialized countries. This recovery depends primarily on the continued, stable flow of energy and the absence of sudden price increases, such as those in 1973, 1974, 1979, and 1981.

[Garzon Guerrero] The tense situation between Iran and Iraq is quite disturbing. What would happen if the situation in the Persian Gulf should worsen?

[Hernandez] We do not want an important or total interruption in the flow of oil to occur in the Persian Gulf area which produces approximately 7 million barrels. However, the economic situation could cause a sudden increase in the price of oil which, at the same time, could affect the economic recovery of the United States, Canada, Western Europe, and Japan, which are the future big consumers of energy. That is why in the statements we have made in Venezuela we have insisted on these points, because some may think that we are interested in such an interruption in order to raise prices. We are definitely not interested in the closing of the straits of Hormuz or an extension of the conflict. On the contrary, we want to find ways to solve this conflict; in any case, we hope that the unfortunate conflict existing between Iran and Iraq will not affect the regular supply of oil from the Persian Gulf. [end recording]

ARMY COMMANDER ON DRUG-RELATED ARRESTS

PA101424 Bogota EL TIEMPO in Spanish 7 Jun 84 p 10B

[Excerpt] A report by the Army commander reveals that up to now military magistrates have issued 255 arrest warrants for alleged drug traffickers and persons charged with illegal possession of weapons.

Also, 1,033 persons have been arrested and 416 weapons, 51,635 rounds of ammunition, 5 grenades, 6 motorcycles, 53 vehicles, 1 boat, 38 aircraft, and 141 sets of communications equipment have been seized.

FARC PREPARES PLAN IN CASE TRUCE FAILS

PA072007 Bogota EL TIEMPO in Spanish 6 Jun 84 p 7A

[Text] An important document in which the FARC [Revolutionary Armed Forces of Colombia] outlines an entire plan to be executed in case the truce is broken was seized by the Army during the Yacopi operation, in which two guerrillas died.

A high-ranking Army source told EL TIEMPO that among other things the document calls for creating the "Alfa-83" group to carry out actions in which the FARC would not appear to be involved.

The nine-point document also mentions the formation of a company with its own leadership, and the creation of several organization commissions. One of the major points is perhaps the creation of an apparatus to obtain weapons and the appointment of four leaders who will in turn organize four armed columns.

The plan also calls for the organization of recruitment commissions and the establishment of a good network for reporting on finances and another for combat intelligence. Work guidelines are also outlined for operating with other fronts which, since the truce, have been rendered inactive in various parts of the country, particularly the Middle Magdalena area.

Another document, which was to be sent to a certain "G.J.," explains the military troops' definitive plan after the truce. A meeting was called in connection with this for 4 June.

The work that is to be carried out after the truce by various group leaders, like Henry Vladimir, is also outlined. A plan covering several roads in Boyaca is described, and a description is also given of cities like Bogota and Fusagasuga. The documents include plans for training and organizing the FARC-EP [People's Army] garrisons and list the military units in the Middle Magdalena area, including the 14th Army Brigade in Puerto Berrio.

One of the document's pages has a complete chart of the Army's communications network, whose main section begins in the office of Defense Minister General Gustavo Matamoros D'Costa.

According to the military sources, the Alfa-83 group would have its own leadership and two covert information networks, one dealing with "financial" activities (kidnappings, extortion, holdups, etc.), the other with "intelligence and combat" activities.

Several organization and recruitment commissions would also be formed to organize and revitalize the movement.

According to the source, in the future the FARC will carry out its "financial" activities posing as a common criminal group, the self-styled Alfa-83. In this connection, the FARC has issued the following instructions:

- Members should not call each other either "comrade" or "companero."
- The names of well-known members of the organization, like Jacobo Arenas, should not be mentioned.
- Marxist literature or Communist Party documents must not be carried around.
- The impression must not be given that this is a revolutionary organization. Instead, actions must be carried out aggressively, and the hostages or kidnapped persons must be mistreated.

-- Obscene words must be used, as well as terms related to the drug traffic [marimba o basuco].

-- Neither the M-19 [19 April Movement], the ELN [Army of National Liberation], or the EPL [Popular Liberation Army] should be used as a front for these crimes.

-- The geographic locations where the FARC has habitually been based should never be mentioned. Cities like Bogota, La Dorada, Puerto Berrio, or Puerto Boyaca will be mentioned instead.

#### M-19, FARC GROUPS ANNOUNCE MERGER, DENOUNCE TRUCE

PA81725 Madrid EFE in Spanish 1651 GMT 8 Jun 84

[Text] Bogota, 8 Jun (EFE) -- Dissident groups of the rebel movements 19 April Movement (M-19) and the Revolutionary Armed Forces of Colombia (FARC) announced in a joint communique here today their unification in rejection of the truce.

The unification announcement, 1 and 1/2 weeks after the beginning of the cease-fire agreed by the government and the FARC, creates a division that affects both the M-19 and FARC.

The factions that announced their merger in the armed struggle are the "Ricardo Franco" group of the FARC, an urban guerrilla group, and the M-19 Southern Front, led by Gustavo Arias Londono, better known as "Boris," which is active in the region of Caqueta and Cauca in southern Colombia.

Both the "Ricardo Franco" group and the "M-19 Southern Front" rejected the peace agreements signed by the guerrillas and government, as well as their dialogues, and accused the Colombian Communist Party of contributing to "mounting a carnival."

"Boris," considered the strongman of one of the M-19 combat columns, signed the document in which it announced its merger with the "Ricardo Franco" urban front of the FARC, noting that in spite of the truce they will increase fighting in the cities and countryside.

#### M-19, EPL STATE INTENTION TO REACH PEACE ACCORD

PA091354 Madrid EFE in Spanish 0837 GMT 9 Jun 84

[By Roberto Rojas Monroy]

[Excerpts] Bogota, 9 Jun (EFE) -- Spokesmen for the 19 April Movement (M-19) and Popular Liberation Army (EPL) reiterated their intention today to reach a peace agreement with the government of President Belisario Betancur despite the division that is affecting the Colombian guerrillas.

The split within the subversive groups was established on Friday when Gustavo Arias Londono, known as "Boris," released a communique of the M-19 Southern Front announcing its merger with the "Ricardo Franco Command" of the Revolutionary Armed Forces of Colombia (FARC).

"We will continue fighting in the cities and countryside," announced Boris, who accused the Colombian Communist Party (PCC) of "mounting a carnival," referring to the truce reached between the FARC and the government.

In Medellin, EPL leader Oscar William Calvo confirmed at a press conference today that his movement and the M-19 are on the verge of securing a truce with the government.

Alvaro Fayad, of the M-19 Supreme Command, had said a few days ago that "before the end of June a peace agreement will have been reached."

Castro, Fayad, and Manuel Marulanda Velez of the FARC, the top leaders of the three guerilla organizations, have disavowed the dissidents and agreed that the priority task is to secure peace.

Members of the Peace Commission reiterated in Bogota that they are holding talks to achieve a total peace, not only with the M-19 and EPL, but also with leaders of the Army of National Liberation (ELN) and with the Workers Self-Defense Movement (ADO).

'Clandestine' Press Conference

PA102232 Bogota Cadena Radial Super in Spanish 1730 GMT 9 Jun 84

[Report from Medellin by Marino Restrepo Maya]

[Excerpt] In the past few hours, the Popular Liberation Army, EPL, held a clandestine press conference. The guerrilla command voiced its unconditional support for the efforts toward dialogue carried out by EPL commissioner Oscar William Calvo.

In addition, the EPL commanders in Medellin -- who for the first time have issued a public statement -- demanded the lifting of the state of siege as one of the guarantees for signing a truce and cease-fire.

In relation to kidnapping activities, the EPL leaders said that they are carried out for political, not personal benefits.

TERRORISTS KILL POLICEMAN, WOUND TWO OTHERS

PA010348 Bogota EL TIEMPO in Spanish 8 Jun 84 p 1A

[By Gustavo Ramirez]

[Text] Medellin, 7 Jun -- A policeman was killed and two wounded when terrorists attacked with gunfire and grenades a police substation in the eastern part of the city today.

Five men shot and killed Ricardo Valasquez Patino, a policeman who was on guard duty at 0800 at the Guadalupe station, which is in charge of maintaining public order in the populous Manrique neighborhood.

The subversive group threw a grenade inside the substation, wounding policemen Diego Medina Ortega and Jose Tascon Gordillo, who were inside.

The terrorists staged the attack from two vehicles, one with license plate TI-5598, which was later found abandoned in a residential sector of the city. Only the three policemen were inside the substation at the time of the attack.

BELAUNDE CRITICIZES PUBLIC SERVANTS' STRIKE

PY081617 Lima Television Service in Spanish 0130 GMT 8 Jun 84

[Text] President Fernando Belaunde Terry strongly criticized the strike that a sector of the public servants represented by the so-called CITE [Inter-Sectoral Conferation of State Workers] is staging and labeled it unjustified, adding that it defrauds the people. The chief executive said that the nation pays the public servants to serve it but that instead bad public servants do it a disservice. He added that they defraud the nation because these workers paid by the state are doing their best to reduce revenues just when the nation's economy is going through difficult times, a totally unjustified action.

The president said that the strike is even more condemnable if one takes into account that recently a substantial wage increase was granted to all public workers. He emphasized that this wage increase was granted despite the economic difficulties the nation is facing.

GOVERNMENT DECLARES STATE OF EMERGENCY

PA090324 Madrid EFE in Spanish 0259 GMT 9 Jun 84

[Text] Lima, 8 Jun (EFE) -- The Peruvian Government tonight decreed a state of emergency and suspended constitutional guarantees throughout the country.

The decision, which was adopted in response to the strike of state workers which began on Tuesday, will last 30 days. The announcement was made at 2130 (0230 GMT on Saturday).

Further Decree

PY091344 Lima Domestic Service in Spanish 1100 GMT 9 Jun 84

[Text] The government yesterday decreed a state of emergency throughout the country for a 30-day period. Constitutional guarantees of personal freedom and security, the inviolability of homes, and the freedom of assembly and travel throughout the territory of the nation, have thus been suspended. The measure was considered necessary in order to preserve public order and the security of the citizens, in view of the situation created through the strike of the public administration employees. The strike has harmed the normal development in several areas of activities in the country in the last few days, and to this has been added the violence unleashed by agitators and extremists who have tried to hinder those public servants who rejected the strike from reaching their work places. This is a vilolation of the right to work, guaranteed in the Constitution.

The state of emergency, decreed by the democratic government, is based on Article 231 of the Constitution which provides for such a measure in case of the disturbance of peace and internal order through serious events affecting the life of the nation.

WAR MINISTER BRUSH WANTS DEMOCRACY DEFENDED

PY081909 Lima Television Service in Spanish 0130 GMT 8 Jun 84

[Text] War Minister Division General Oscar Brush Noel said on 7 June that all Peruvians, drawing inspiration from their flag and the Constitution of the nation, must block the way of those who want to thwart the nation's all-encompassing democracy and replace it with a totalitarianism system that ridicules the popular vote.

He made these remarks during the reading of a proclamation on Plaza Blognesi at a ceremony held to renew allegiance to the national flag. The ceremony was presided over by President Fernando Belaunde Terry.

[Begin Brush recording] Drawing inspiration from their flag and the Constitution of the nation, all patriotic Peruvians must block the march of iconoclasts, anarchists and nihilists who seek to destroy Peru's true image both abroad and inside the country, of those who are trying to seize power through violence and terrorism; of those who resort to crooked and antipatriotic methods in their effort to take over the government overtly or covertly, destroying the constitutional order of the nation; of those who want to thwart the nation's all-encompassing and dialogue-based democracy and replace it with an aberrant totalitarian system which ridicules an honest popular vote and the Constitution of the nation.

We must use against these misfits the immaculate and majestic image of the fatherland painted with indelible heroism along the furls of our flag and in the pages of our Constitution, fraught with invaluable democratic wisdom. [end recording]

#### BOLIVIAN MINISTER FAVORS JOINT ANTIDRUG ACTION

PY082125 Paris AFP in Spanish 0039 GMT 8 Jun 84

[Text] Lima, 7 Jun (AFP) -- Bolivian Aeronautics Minister General Antonio Arnez Camacho supported here today Peruvian Interior Minister Luis Percovich Roca's idea of uniting American countries in the combat against the drug traffic that takes place largely by air. He also stressed the importance of the meeting that Hernan Siles Zuazo and Fernando Belaunde Terry, presidents of Bolivia and Peru, respectively, will hold at the border of their countries next year. He considered this to be very satisfactory, because it will allow a new rapprochement between our peoples which have common feelings.

Arnez Camacho made these statements at Jorge Chavez Airport in Lima, on his way to Spain where he will be present at the 1984 Aeronautical Fair. He is accompanied by the commander in chief of the Bolivian Air Force, General Jose Reyes Villa [title and name as received]. They were received at the airport by Bolivian Ambassador to Peru Walter Montenegro.

#### PRIME MINISTER RETURNS FROM PARIS MEETINGS

PY090015 Paris AFP in Spanish 2118 GMT 8 Jun 84

[Text] Lima, 8 Jun (AFP) -- Prime Minister Sandro Mariategui returned today from France where he signed with the 23 creditors that make up the Paris Club the refinancing of the Peruvian foreign debt with the European sector under very advantageous conditions for Peru, which has a foreign debt totaling \$1.045 billion.

Mariategui, who returned to the country with Finance Minister Jose Benavides, said that the success that was obtained is due to the good management of the Peruvian economy and to the strict fulfillment of international commitments.

He added that the immediate benefits for the country are: A substantial improvement of international reserves and better conditions for the balance of payments.

After noting that the agreement he has just signed for Peru may serve as a model or a precedent for other Latin American countries that have commitments with the Paris Club, Mariategui said that the refinancing of the debt will allow Peru to pay 90 percent of its debt as of 15 June 1990 and to end it by 1993. He added that as of November 1985 Peru will pay only the remaining 5 percent and the pending 5 percent will be paid between May 1984 and 31 July 1985.

Regarding Peruvian-French talks, Mariategui said that a program of cooperation agreement in several areas has been drafted.

#### EXPRESO ON SUSPENSION OF U.S., NATIONAL FLIGHTS

PY101218 Lima EXPRESO in Spanish 25 May 84 p 14

[Editorial: "The Big Fish Eats the Little Fish"]

[Text] As it is well-known, commercial flights between the United States and Peru have been suspended.

This conflict was the result of an unjust and unilateral decision made by the U.S. Civil Aeronautics Board which prohibited Peruvian airlines from entering the United States. This attitude immediately caused a similar response from the Peruvian Government which also suspended U.S. airline flights to Peru.

The pertinent agreement, which was signed 38 years ago, is imperfect and unfair to our country, and was denounced by our country last year. But then, the parties did not establish the proper contacts to seek a permanent, lasting, and fair solution that would avoid a future impasse. It is unfortunate that this did not happen.

It was within this framework that the commercial airline agreement, which expired in November 1983, was initially extended until 30 April and later renewed until 21 May, which was the date on which developments rapidly unraveled and when U.S.-Peruvian commercial airline operations were abruptly suspended.

Therefore, our first criticism is with our government for a lack of foresight in this regard. But in addition to this negative strategy of waiting for a crisis to unfold instead of trying to overcome it, something which will certainly impose a great economic loss on the commercial airlines involved in both countries -- but obviously more so on Peruvian airlines -- the basic issue is still unsolved. To negotiate once and for all a commercial airline agreement that will be more in keeping with national interests.

In this regard, we should remember that this does not merely involve arriving at an agreement of precise parity between the United States -- the most powerful nation on the globe -- and a developing country like Peru, but the situation -- because of the advantage of greater efficiency and better technical and financial position of the United States -- places us in the obvious disadvantage which leads the little fish into the mouth of the big fish.

This will not only be totally unfair but it will also mean that this agreement will be precariously enforced, while it is supposed to be in force for a relatively long period of time if the two countries -- and their commercial airlines -- are to obtain solid and mutually fruitful benefits. In this regard, a fair agreement should be achieved, an agreement that is in keeping with the circumstances.

It must also be noted that the problem does not merely lie in the fact that the United States Government is unwilling to authorize Peruvian airlines to operate within the United States, like some have reported. The fact is that Peruvian airlines do not believe it will be operationally or commercially profitable to operate in large cities like New York or Los Angeles since these are highly competitive routes where other, bigger carriers that have more financial resources, operate; while Eastern -- the U.S. airline -- does not only advantageously operate in the United States but also on the Buenos Aires route in view of the generous support of the Peruvian Government, which it is hoped will be provided for in an eventual new agreement.

In view of this, the United States is obliged to adopt a more flexible attitude and to accept the fact that we cannot compete under identical rules, although this may presuppose giving up certain principles that do not always come in commercial negotiations; otherwise, we would be mortgaging the development of our commercial airlines. How this is achieved is up to the experts in the field.

AFP: 20 SUBVERSIVES KILLED NEAR AYACUCHO

PY082045 Paris AFP in Spanish 1545 GMT 8 Jun 84

[Text] Lima, 8 Jun (AFP) -- A police source reported in Lima today that 20 subversives belonging to the Shining Path extremist group were slain, and two plainclothesmen were wounded, in two encounters that took place in the Chiara District of Ayacucho, and in Chicmo, Apurimac.

A police post in the Chiara District, 28 km southeast of Ayacucho, which had recently been reinforced by an Army detachment, was attacked last Tuesday by a Shining Path command, of whom 20 were slain. No deaths were reported among the police or Army. In turn the police reported that an Investigative Police officer, Vasquez Vargas, and an unidentified subordinate were wounded by shrapnel grenades thrown by Shining Path members at a police post in Santa Maria del Chicmo, in the Andahuaylas Province of Apurimac, 832 km southeast of Lima.

Unconfirmed reports said that subversives also attacked, last Tuesday, a Civil Guard post in the Chuschi District of the Cangallo Province, 160 km from Ayacucho.

OFFICERS IMPRISONED FOR 'CRIMINAL ACTIONS'

PY081544 Madrid EFE in Spanish 0107 GMT 8 Jun 84

[Text] Montevideo, 7 Jun (EFE) -- The Uruguayan Armed Forces are investigating the criminal actions committed by some officers, actions which have led to the imprisonment of five officers on active duty and one retired officer. The information available to EFE, which comes from reliable sources, states that over the past few hours four officers involved in the abduction of a citizen and in some terrorist actions against the left have been indicted.

The investigations were sparked off by the detention and immediate release of the opposition politician Carlos Julio Pereyra after an order and countermand which led the leaders of the political parties to state that "there is disorder in the Army."

The four indictments were ordered by the military court upon a petition filed by the military prosecutor, and the detainees will join Lieutenant Colonel Mario Olivera and Major Sergio Caubarrero who are already in prison charged with "neglecting duties while assigned to their posts" and "murder in the first degree" in the case of Dr Vladimir Roslik who died by torture.

There is tight security in military circles; thus the names of the four officers involved are unknown. However, the names of two torturers have been learned.

The two indictments for the death of Dr Roslik were confirmed last week by President of the Supreme Military Court Colonel Federico Silva Ledesma, who refrained from disclosing the names of the indictees "for confidential reasons."

After Roslik's death, three attacks took place in Montevideo against businesses that had run ads in a now closed left-wing newspaper, on the night of that same day a florist was kidnapped by a group apparently made up of military men who confronted the police when the latter tried to intervene. The police then left when one of the leaders of the group of kidnappers said that "the chief knows about it." The case was investigated by the military criminal justice system and led to the four imprisonments, imprisonments which have not yet been officially announced.

Concurrently, a high-ranking military leader has requested his retirement; his name and rank have not been revealed since he was connected to the jurisdiction where the right-wing criminal and terrorist actions took place.

BLANCO FACTION OFFICE RAIDED, WEEKLY SEIZED

PY081500 Madrid EFE in Spanish 0350 GMT 8 Jun 84

[Text] Montevideo, 7 Jun (EFE) -- The Uruguayan police tonight raided the headquarters of the Movement for the Fatherland Movement, which is led by exiled leader Wilson Ferreira Aldunate. This was the first act of force against a political association headquarters since the beginning of the democratization program.

During a press conference, leaders of the Blanco Party, to which the Movement for the Fatherland belongs, reported that plainclothes policemen seized 60 copies of a speech by exiled leader Ferreira Aldunate, checked documents, inspected all the headquarters rooms, and seized some documents. The action took place simultaneously with the seizure of the weekly LA DEMOCRACIA, which was to appear tomorrow.

[Madrid EFE in Spanish at 0724 GMT on 8 June added the following information: "Three Uruguayan politicians were arrested, the weekly LA DEMOCRACIA was seized, and the headquarters of a political association was raided in a multiple police action that took place early today in Montevideo."

"At the political association headquarters, police detained Leon Morelli, who is one of Aldunate's sons-in-law, and Guillermo Garcia Costa, president of the Blanco Party convention.

"It was also reported that Alberto Saenz de Zumaran, director of the weekly LA DEMOCRACIA, was also taken to police headquarters early today to be questioned."

#### More on Incident

PY082310 Montevideo Radio El Espectador Network in Spanish 1600 GMT 8 Jun 84

[Excerpts] The political situation has again been upset by the arrest of two politicians of the National Party and by the consequences of the articles published by the weekly LA DEMOCRACIA which was confiscated along with an offprint carrying a speech of Wilson Ferreira Aldunate.

The people are now concentrating their attention on the headquarters of the Directorate of Intelligence and Information [DII] where politicians Guillermo Garcia Costa, president of the National Party Convention, and Alberto Zumaran, LA DEMOCRACIA director, are being held.

[Begin portion from DII] As already reported from the studio, apparently the weekly LA DEMOCRACIA was not only confiscated because of the offprint carrying the speech delivered by Wilson Ferreira Aldunate in Concordia, Argentina, but also because the weekly reportedly published details of the murder of former Senators Zelmar Michelini and Hector Gutierrez. However, this information has not been officially confirmed because the issue of LA DEMOCRACIA never reached the streets.

[Begin recording] [Unidentified reporter] Mr. Croche [Juan Carlos Croche, member of the National Party] it has been reported that LA DEMOCRACIA carried other information in addition to the Wilson Ferreira Aldunate speech and that this is the reason for the arrest of the politicians being held here. Is this true? Do you have any information on this matter?

[Croche] I understand that LA DEMOCRACIA published the names of individuals who were members of the government and had some kind of involvement in the kidnapping and murder of Gutierrez and Michelini in Buenos Aires. Apparently the Argentine courts released the names of several people who are reportedly going to be summoned to testify. This is all I know so far. [end recording]

These were the remarks of Juan Carlos Croche, member of the National Party, who came here to the DII. We also talked to Hector Lorenzo Rios who said that this is not the proper time to make declarations, a position we understand; however, he told us that the politicians are being held incommunicado. In other words they are being interrogated without the presence of a lawyer. Regarding the word detained we should explain that the politicians are not yet considered detained because no charges have yet been made against them. They have not been accused of violating the law; therefore, they are only being interrogated. [end portion from DII]

1984-88 DEVELOPMENT FINANCING PROGRAM OUTLINED

PA070609 Mexico City EL SOL DE MEXICO in Spanish 4 Jun 84 pp 1, 13

[Article by Carolina Navarrete]

[Text] The national program for financing development in 1984-1988 that will be presented today to President Miguel de la Madrid will seek ways of promoting savings and investment, of avoiding the concentration of loans in the hands of privileged financial sectors, and of making credit assistance contingent upon efforts to increase productivity. It also seeks to reduce the budget deficit to between 3.1 and 4.4 percent during the 1985-1988 period, which will help to lower the inflation rate -- expected to rise to between 22.7 and 31.4 percent a year during that period -- and thereby achieve greater stability in the currency exchange rate.

The document that will be submitted to the chief executive also calls for domestic savings by the public sector to increase from zero or slightly negative levels to between 6.5 to 7.5 percent of the GNP, so as to avoid exhausting the resources available for investment and productive activities and to keep the use of savings abroad [ahorro externo] at a level of 1 percent.

In its preliminary version, the document criticized past development financing and mentioned that the public sector's savings declined to minus 5 percent of the GNP in 1982. Even though the tax reform -- which meant a generalization of the income tax and the introduction of the value added tax -- tripled tax revenues from 6.5 percent in 1975 to 15.5 percent in 1982, expenditures exceeded revenues and in the end the federal government had negative savings.

One of the analysis' most important conclusions is that the major, and most serious, financial problem facing the country derives from the state 'enterprises' permanent negative savings, their low generation of revenues, and their minimal participation in investment financing. The deficiency in public savings accounts for the great amounts of domestic and foreign indebtedness and a veritable exhaustion of the resources available for investment and directly productive activities.

The analysis also points out that the banks in general also experienced the growing problem of credit being concentrated in the hands of privileged financial sectors. In addition, the financial situation caused an increasing number of irregularities in the granting of loans, the payment of interest in advance, and a very limited amount of free holdings [cartera libre]. As for the development banks, they began to experience abnormalities because some institutions became financial ticket windows [ventanillas], increasingly channeling funds toward financing the government's operating expenses and thus leading to a freezing of holdings and a greater amount of credit for working capital.

In view of the situation, the 1984-1988 national development financing program seeks to increase domestic savings from 16 to 19 percent and to keep the use of savings abroad at a level of 1 percent. The federal government's savings should increase from almost zero to between 2.5 and 3.5 percent of the GNP, and the state enterprises' savings should grow from 4 to 4.5 percent of the GNP.

To increase the federal government's savings, the program calls for a continued rise in the collection of revenues, to be achieved mainly by reducing tax evasion and by the judiciously managing operating expenses. Several actions will be undertaken to achieve this goal and to distribute the financial burden more evenly, as well as to reduce distortions in the allocation of resources.

The administrative aspects of tax collecting will be strengthened, as will the laws and sanctions that ensure compliance with fiscal obligations. Oversight functions will be expanded to verify royalties, proceeds, and profits. The number of tax auditors will be increased. Established rules will be rigorously applied, while tax omissions and tax-related crimes will be prosecuted. The present permanent tax auditing system will be strengthened, though not to the detriment of other controls.

A program to revamp public corporations will also be developed in an effort to generate more public corporate profits. The price and tariffs policy is important in this context. To ensure that cost mechanisms do not pass inefficiencies on to the consumer, systems to financially bolster public corporations will only be used in the most urgent cases and with the corporation's commitment to increase productivity.

On the strategic program to promote efficient and equitable channeling of credit resources, the plan says that this depends on adequate distribution of resources between financing the public deficit on one hand and funding private and public enterprise on the other, which means that it would be possible to reduce the reserves required by law from 50 to 40 percent.

In the medium term, the program will permit Mexico's productive apparatus to be integrated domestically and to be competitive abroad, while reactivating the agricultural and livestock sector, guaranteeing enough food for domestic consumption, and coordinating services involving production and consumption. "One of the basic goals of the credit policy in the next few years will be to achieve efficiency and equitability in the distribution of funds, while reflecting the priorities in the country's economic and social strategy."

The development banks will play a very important role in determining how financing is handled, because the loans will go to long-term projects and to support risk capital investments.

However, the preferential interest rates that will be applied must be selective. We do not want the taxpayer's money to support investments in Cetes [not further identified] or to see working capital resources handed to companies that do not need subsidies. Credit on a preferential basis, to be used as working capital by public corporations and organizations, will be gradually reduced, the document states.

The program indicates that since the need to ration credit will be reduced as a result of the reorganization of public finances, it will be possible to limit credit-rationing practices, such as charging advance interest for operations that do not require it and demanding excessively high deposits.

In regard to the banks in general, efforts will be made to fight the traditional tendency to obtain additional funds, for any purpose whatsoever. In this way, efforts will be made to better and more efficiently channel resources, to make lesser use of guarantees, and to better evaluate projects and the true status of enterprises. The program also seeks to promote decentralization in decisionmaking and to combat bureaucratism, while maintaining adequate profit levels. All of this has the objective of linking the banks with the national objectives reflected in the national development plan and the national program for financing development.

Another basic point in the program is the consolidation of Mexico's financial system, continuing the merger process to ensure that banks are of adequate size to compete efficiently and effectively. In the area of operations, the program seeks to encourage competition, decentralization, and the fight against bureaucratism.

COURT REJECTS PAPO SUIT ON ARDITO CREDENTIALS

PA082239 Panama City CRITICA in Spanish 8 Jun 84 pp 48, 34

[By Carlos J. Nunez L.]

[Excerpt] Yesterday afternoon, Panama's president-elect, Nicolas Ardito Barletta, personally received the verdict by which the honorable Supreme Court of Justice, through the Third Court (handling suits under administrative law), rejected a motion to annul the ceremony in which Ardito Barletta received his credentials as president-elect of the nation.

In a brief but significant ceremony, which took place in the office of Magistrate Camilo O. Perez, who presides over the Third Court, "Nicky" Barletta received the seven-page verdict from Magistrate Perez.

According to Magistrate Perez, "the Supreme Court's Third Court, (of which he is the judge) administering justice in the name of the Republic and by the authority conferred upon him by the law, having declared the appeal for provisional postponement inadmissible, CATEGORICALLY REJECTS [published in uppercase] the annulment motion presented by Teodosio Bernal through the Popular Action Party (PAPO) against the 11 May resolution issued by the National Vote Counting Board."

QUINTERO ON ELECTIONS, 'POSSIBLE' RESIGNATION

PA090225 Panama City Circuito RPC Television in Spanish 1730 GMT 8 Jun 84

[Excerpts] Magistrate Cesar Quintero, president of the Electoral Tribunal, today said that everything is ready for the municipal and corregimiento representatives' elections.

He added that if the ballots do not arrive at voting tables located in distant areas of the country -- due to the delay in printing the ballots or bad weather -- then new elections will be held in those areas.

Quintero said that a subsidy will be given this afternoon to the seven political parties and to the independent corregimiento representative and mayoral candidates. This subsidy will compensate for their publicity expenses this week. A total of 156,715 balboas will be paid: 18,300 to the independent mayoral candidates; 19,800 to independent representative candidates; and 118,615 to the political parties. Magistrate Cesar Quintero, president of the Electoral Tribunal, read the list of political parties and amounts which will be paid to each. Dr Quintero asserted that as long as he has serious responsibilities in the homeland he will never resign from his post:

[Begin Quintero recording] I will not present my resignation so long as there prevails a difficult situation such as the one which I am currently facing. I will not present my resignation so long as I have great responsibilities to the people, the citizenry, as I currently have. Likewise, I will not present my resignation when people -- whom I have no reason to trust or expect sympathy or good faith from -- go around saying that the three [Electoral Tribunal] magistrates will resign. Their talking is reason enough for me not to even think about presenting my resignation. I will present my resignation on the day I consider opportune, when I consider I have done my best here, and when I believe I have faced the challenge of all these problems -- even when they have been as unpleasant and critical as the ones I have had to handle -- and all the complications which have arisen. To flee right now would be an irresponsible -- even cowardly -- act. [end recording]

FURTHER REPORTAGE ON MUNICIPAL ELECTIONS

## Opposition to Participate

PA091536 Panama City YA in Spanish 9 Jun 84 p 1

[Text] Last minute -- Dr Arnulfo Arias has confirmed that his party and the Opposition Democratic Alliance will participate with their own candidates in next Sunday's elections. We hereby report that political groups of the current government have circulated leaflets with Dr Arias' forged signature urging members of the opposition not to vote in the coming elections. Attention Colon. Attention Chiriqui. Attention central provinces.

Panama City, 9 May 1984

Civic Committee Against Fraud

## Elections Begin Normally

PA101659 Paris AFP in Spanish 1612 GMT 10 Jun 84

[Text] Panama City, 10 Jun (AFP) -- The elections for mayor, councilmen, and corregimiento representatives began normally at 0700 here when the polling places opened throughout the country. Some 900,000 citizens are eligible to vote and may do so before 1700 local, when the polling places will close. Some 67 municipal mayors and 505 corregimiento representatives will be elected within the new political structure outlined in the 1983 constitutional reforms.

Today's municipal elections were scheduled to be held last Sunday, 3 June, but were postponed due to delays in the printing of the voting slips, which gave rise to protests by the 14 participating parties. Among them is the officialist National Democratic Union, which won the 6 May elections in which Nicolas Ardito Barletta was elected president.

CORRECTION TO REPORTAGE ON ELECTORAL POSTPONEMENT

The following correction pertains to the item subheaded, "Liberal Party Protests," published on page N 1 of the 7 June Latin America DAILY REPORT:

Paragraph three, from line three reads ... place following the Electoral Tribunal's public announcement of the decree.

[Page N 2, paragraph one] We believe that ... (supplying dropped line)

CONTADORA GROUP PREPARES DRAFT PEACE PROPOSAL

PA091627 Hamburg DPA in Spanish 0049 GMT 9 Jun 84

[Excerpt] Panama City, 8 Jun (DPA) -- The four foreign ministers of the Contadora Group have prepared a basic draft peace proposal for Central America that they will personally submit tomorrow to the chiefs of state of Costa Rica, Nicaragua, and Honduras, and on Sunday to the presidents of El Salvador and Guatemala. "We are satisfied with the work carried out," Panamanian Foreign Minister Oyden Ortega noted. In addition to Panama's Ortega, the foreign ministers participating are Bernardo Sepulveda of Mexico, Rodrigo Lloreda of Colombia, and Isidro Morales of Venezuela. They met for more than 5 hours to review the work of the group of deputy foreign ministers and advisers who worked for several weeks on three areas: security of the region, economic issues, and political issues.

It was reported that the basic draft contains the following basic points:

## Security:

1. To prevent the use of the territory of any country by irregular forces.
2. To prevent actions of destabilization, sabotage, and terrorism.
3. To withdraw foreign military advisers from each country.
4. To determine the levels of military development in each country and limit arms to those necessary for defense.
5. To verify and control arms in each country of the area.
6. To ban the installation of military bases and any other form of military interference.

## Political:

1. To establish and develop institutions of representative and pluralist democracy, and establish the total observance of human rights in order to permit national reconciliation.
2. To establish rules to guarantee the inviolability of life, liberty, and personal security for those who accept an amnesty.
3. To guarantee the stability of autonomy of the judiciary branch so that it can act without political pressures.
4. To permit free access by everyone to electoral processes.

## Economy:

1. To discuss the status of refugees jointly among the Central American countries.
2. To give total cooperation to the Central American Bank and conduct joint efforts to obtain foreign resources that will permit the revitalization of the Central American integration process.

3. To promote intraregional trade.
4. To promote joint investment programs.
5. To implement fair economic and social structures that will consolidate an authentic democratic system and will permit the free access of the peoples to the rights of employment, education, health, and culture.

The four foreign ministers noted that there has been an increase of violence, a military escalation, an arms buildup, and a foreign military presence in Central America. They noted that the chiefs of state must give more authority to the Central American foreign ministers in the joint meetings with the Contadora Group. The Contadora Group concluded, finally, that "there must be a negotiated solution for the Central American crisis, upholding the processes and efforts aimed at negotiation that will lead to securing a regional peace treaty."

#### FAIT, CONTADORA MISSION MEET IN SAN JOSE

##### Fait on Meetings

PA081817 San Jose Radio Reloj in Spanish 1200 GMT 8 Jun 84

[Text] A Contadora Group mission has requested a meeting with Acting President Fait on Saturday at 0730, which that ranking official has granted. The meeting will take place in the Diplomatic Room at the Juan Santamaria Airport when the members of this organization arrive here and are met by the acting president. Fait will ask that the Contadora [Supervision and Prevention] Commission further extend its functions because greater supervision and prevention are required in our country. He will ask the Contadora mission to increase the commission's participation in the control of our borders. President Monge, who is in Europe, has been right in saying that supervision and vigilance over this border are necessary in order to prevent the conflict from spreading, Fait said.

Internally, it seems that things have gotten so confused that we have decided that if the Assembly approves the 25 percent gasoline tax, 15 percent will be used to equip our Civil Guard, Fait said. He added: We are not being boastful, this is not an offensive, we are not speaking of militarizing the country, but we have to speak clearly. Our declared neutrality does not mean that our guards have to be unarmed, but they should only have the most basic equipment.

##### Comments on Document

PA091705 San Jose Radio Impacto in Spanish 1536 GMT 9 Jun 84

[Report by Esther Montenegro from Juan Santamaria Airport]

[Text] During a 10-minute press conference, the Contadora foreign ministers -- who began their first joint visit to the region today -- gave some details on the document delivered today to Costa Rican Acting President Alberto Fait Lizano.

The foreign ministers expressed their wish for peace to be attained in the region with this document. Let's listen to Acting President Fait:

[Begin Fait recording] The visit's main purpose was to deliver to us a document that reflects the most important initiatives which, after being analyzed by the Central American governments, will form the basis of an effort to find peace and political solutions to Central American conflicts. Costa Rica will study the document and will make observations no later than 15 June. We have taken advantage of the arrival of these distinguished visitors to express our support for the efforts of the commission comprised of members of the four Contadora Group countries, as well as Nicaragua and Costa Rica, to prevent any conflict that might occur in the border area.

In addition, and under President Monge's instructions, we have extended an invitation to the four foreign ministers to attend the meeting of the EFC foreign ministers and Central American foreign ministers to be held in September. The purpose of this visit will be to establish a closer relationship among our countries and find formulas for a commercial accord between the EEC and Central American countries. [end recording]

This document of recommendations, of political willingness, as Panamanian Foreign Minister Oyden Ortega has described it, will be announced as soon as it is delivered to all the Central American countries. Fait said that this is out of consideration for his two [as heard] Central American counterparts.

We want to point out that there has been a change in the foreign ministers' schedule that we announced this morning. The new schedule is as follows: They will meet with Daniel Ortega in Managua at 1000; they will meet with President Roberto Suazo Cordova in Honduras at 1300, they will arrive in Guatemala City at 1700, where they will meet with Oscar Mejia Victores and will stay overnight; and they are scheduled to arrive in San Salvador tomorrow, Sunday, at 0900, where they will meet with Jose Napoleon Duarte. A copy of the document will be delivered to all Central American heads of state. A copy was delivered to Fait this morning. In a further report, we will give more details of this foreign ministers' meeting.

#### CONTADORA MINISTERS ARRIVE IN NICARAGUA

##### Radio Sandino on Proposal

PA091648 Managua Radio Sandino Network in Spanish 1200 GMT 9 Jun 84

[Text] The foreign ministers of the Contadora Group countries will arrive in Managua today to give the Nicaraguan Government a document containing a general peace proposal. Managua will be the second stop that the ministers -- Oyden Ortega of Panama, Bernardo Sepulveda of Mexico, Rodrigo Lloreda Caicedo of Colombia, and Isidro Morales of Venezuela -- will make as part of their 2-day tour through Central America. They will be received by Nicaraguan Government leaders at Sandino International Airport. It has been said that the tour through the Central American countries will be decisive for the objective of beginning a final negotiation for political, economic, military, and social agreements in the area.

The Contadora Group began its tour today in Costa Rica. From there, it will go to Nicaragua, then to Honduras, Guatemala, and El Salvador. The foreign ministers will meet for 2 hours with Commander Daniel Ortega, coordinator of the Junta of the Government of National Reconstruction, and with Foreign Minister Miguel D'Escoto.

The Contadora Group foreign ministers yesterday met in Panama to analyze the final document that will be presented to the Central American chiefs of state as a proposed peace agreement.

The Contadora Group foreign ministers agreed in pointing out the importance of the current Contadora Group phase, which could be the final stretch. There is also the opinion that there should not be unfounded expectation about the length of time that will be necessary to prepare a responsible peace agreement.

Colombian Foreign Minister Rodrigo Lloreda Caicedo said that Contadora is in what he termed the waiting room of a final negotiation. He said that the tour through the Central American countries is an opportunity to evaluate the political will of each country. The Panamanian foreign minister said that a preliminary peace agreement draft would be ready for discussion before August, and the negotiations should conclude in October. The Mexican foreign secretary said that Contadora is entering a new phase, and that the advances that have been achieved should be acknowledged and made known. Isidro Morales, the Venezuelan foreign minister, said that if talks take place between the United States and Nicaragua, this would demonstrate that the Contadora effort has not been fruitless.

The Contadora ministers agreed that it is the Central American countries who must make the final decision, and there has to be political willingness to have a peace agreement.

Ramirez, Morales Comments

PA101317 Managua Domestic Service in Spanish 1807 GMT 9 Jun 84

[Text] We are broadcasting from the Camino Real Hotel, where the Contadora foreign ministers are with Nicaraguan Foreign Minister Miguel D'Escoto Brockman and Dr Sergio Ramirez Mercado, member of the Junta of the Government of National Reconstruction. At this moment, Commander of the Revolution Bayardo Arce Castano, member of the FSLN National Directorate, is entering. We will now listen to Dr Ramirez.

[Begin Ramirez recording] On behalf of the revolutionary government and the Junta of the Government of National Reconstruction, we want to say that we have received, with great affection and brotherly love, the Contadora Group foreign ministers, who have come here to fulfill a new stage of the great effort for peace and Central America's stability that the Contadora governments and countries began some time ago, seeking new ways to help develop new relationships among the Central American countries in a framework of respect and security. Again, we want to express the Nicaraguan Government's appreciation for this effort. We have held positive, highly fruitful talks with them, in accordance with Nicaragua's relationship with each of these sister countries.

We hope that this new effort for peace by the Contadora Group and the stances presented both to us and to the other Central American countries will yield future results. On presenting Nicaragua's greetings to this constant effort by our sister countries, we want to reiterate the Nicaraguan Government's willingness to make a commitment for a genuine effort leading to peace and security for the Central American countries within the principles that Nicaragua respects and urges others to respect, namely, national independence, sovereignty, and self-determination of each of the Central American countries. Thank you very much. [end recording]

We will now listen to Venezuelan Foreign Minister Isidro Morales Paul.

[Begin recording] [Morales] Gentlemen, good morning. I have been appointed by the other three foreign ministers -- from Colombia, Mexico, and Panama -- to give you a general outline of the effort we are making.

We, the Contadora Group foreign ministers, have come to the Central American countries to fulfill a mission we believe is momentous within the effort we are making. The effort consists of delivering an explanatory letter and a document we have called the Contadora Draft for Peace and Cooperation in Central America. This draft is the result of the effort made by Contadora and the Central American countries, and is based on the famous Document of Objectives, which contains the 21 principles of political behavior accepted by consensus in the Contadora Group.

As you will remember, three working groups were created to examine political, security, and economic and social problems. Well, this draft we present today to Central American governments reflects this effort and, in addition, observations and viewpoints expressed during the discussions held in the various commissions. The document is a flexible instrument and incorporates principles of a juridical, interrelated nature for the parties concerned, and also principles of a political nature, principles of peaceful coexistence, and principles that reflect recommendations made by us to benefit the progress of the Central American process, especially in search of peace. Furthermore, this document reflects, in an almost exact manner, the considerations and viewpoints of the different commissions. This, in essence, reflects a commitment to the viewpoints presented by the commissions.

Our additional contribution, however, has consisted of filling possible gaps to produce a systematic and consistent document. In addition to political, security, and economic and social principles, the document discusses mechanisms to resolve controversies by means of three consecutive steps that consist, first, of a supervision and vigilance commission. The second step would be the foreign ministers, and the third step would be the mechanisms for resolving controversies listed in Article 36 and others of the UN Charter.

It is important to point out, in the political aspect, that we are advancing in the drafting of a document listing rights and obligations. The countries have unanimously accepted this effort, which is based on representative democracy, pluralism, and respect for human rights. Regulations have been established on arms control measures, security, respect for the self-determination of the people, and, especially, on the fundamental principle of nonintervention. It is very important to point out that in addition to this there is an additional document of a participative nature. Third countries can adhere to the political rights principles established in this document.

We believe that this circumstance will make the Contadora Group effort more universal, since other countries that have either direct or indirect interests in the conflict may adhere to the principles of the basic document and contribute to the respect for the principles, which would then be valued not only by the countries directly affected.

In general terms, we believe we are entering a new phase. This document represents a specific step with which the Contadora Group countries have decisively contributed to peace in the region. Therefore, we believe that it is right now that the countries directly involved must demonstrate that the political will expressed in philosophical and legal terms in this document is backed by a desire to have these efforts flourish into political facts.

This does not mean that from now on the Contadora Group countries will adopt a passive attitude. On the contrary, the Contadora Group continues to have a participative and mediating attitude and a political will aimed at solutions and peace in Central America. This, in general terms, is our mission. We are going to continue with our efforts for the Central American countries. We are now at your services if you have any questions. I have to leave in a few minutes.

[Question indistinct]

[Morales] Contadora controls only a few of the factors involved in the conflict. The Central American conflict has effects on the East-West world conflict. It also has a political impact that it would be naive not to acknowledge. However, we believe that with this effort we will have more tools to resolve the problem.

We also know that the Central American problems have historic, economic, social, and political roots -- roots of frustration for the people -- so we don't think that a simple conciliatory effort will give a definite solution to the problem; but this does not invalidate the efforts we are making. [end recording]

Now the Contadora Group foreign ministers -- Rodrigo Lloreda Caicedo of Colombia, Isidro Morales Paul of Venezuela, Bernardo Sepulveda of Mexico, and Oyden Ortega of Panama -- are being accompanied by Nicaraguan Foreign Minister Father Miguel d'Escoto and Commander of the Revolution Bayardo Arce Castano, member of the FSLN National Directorate, as well as by Nicaraguan Government junta member Sergio Ramirez Mercado, as they leave the room and the hotel to continue their tour through the five Central American countries. As we have reported, this tour will last 2 days. The Contadora ministers will present their mission of peace to the Central American countries. This was the fundamental reason for the creation of the Contadora Group. The ministers arrived in Nicaragua from San Jose, Costa Rica.

#### Ramirez Press Conference

PA092312 Managua Domestic Service in Spanish 1829 GMT 9 Jun 84

[Press conference by Sergio Ramirez Mercado, member of the Junta of the Government of National Reconstruction, following meeting with the Contadora Group foreign ministers at Camino Real Hotel in Managua, questions by unidentified reporters -- live]

[Text] [Ramirez -- in progress]...Contadora Group foreign ministers, who have presented us with a proposal summarizing all the positions previously discussed by the Contadora Group's technical commissions. The Contadora Group foreign ministers consider this proposal important because it summarizes the previous situation and reflects political and diplomatic work and future expectations. We have received the proposal and will analyze it carefully, with the seriousness and attention it warrants, in order to reply to the Contadora Group foreign ministers. We reiterated our desire for peace, security, and stability in Central America and that we are willing to sign serious and responsible agreements affecting our security, as well as the security of the other Central American countries and the region's general stability. Of course, the scope of the agreements that we may sign will have nothing to do with internal positions in our country, which cannot be negotiated. Our declaration of principles in relation to political pluralism, democratic stability, and institutionalization of the democratic process in our country could never be subject to any kind of agreement or (?international) supervision. We are willing to make serious commitments in all the other aspects related to Nicaragua's international relations. This is a (?declaration) of principles we have always made, and which of course, we now reiterate. We have great hopes for this new effort by the Contadora Group, and we sincerely hope it will bear fruit.

[Question] Could you give us some details about the Contadora Group proposal?

[Ramirez] Yes, this proposal summarizes in a [word indistinct] the previous positions debated by the Contadora Group and on which agreements of principle have been reached regarding relations among Central American countries, political and military stability, border security, etc.

We are not thoroughly familiar with the documents. We will analyze it and issue an opinion after we review it.

[Question] Are some of the country's [word indistinct] included?

[Ramirez] We have not included them, but we are certain that this is not so because this is not a matter that can be subject to a control mechanism or international supervision.

[Question indistinct]

[Ramirez] It must not be forgotten that any commitment reached through an international or regional mechanism such as the one proposed by the Contadora Group presupposes reciprocal commitments by all the countries involved, and Nicaragua has not made any unilateral commitment in any situation in which all other parties have not undertaken commitments as well.

[Question] [Words indistinct] proposals for peace agreements with the United States and Honduras?

[Ramirez] We will consider the proposals to reach understandings with the countries bordering Nicaragua and with the countries located in the region in general. The peace proposals we have made to the U.S. Government are outside the Contadora process.

[Question] Do you view the proposals as a new step, as they have said, or as something more concrete?

[Ramirez] According to the Contadora Group foreign ministers, they wish to continue advancing. They want the positions contained in the various technical and political documents drafted during the stage of the Contadora Group efforts to evolve toward more solid instruments, and the one they are proposing to us now sums up all previous positions. Formally speaking, we feel this is a new advance.

#### CONTADORA MISSION CONTINUES TOUR IN TEGUCIGALPA

##### Visit Announced

PA081453 Tegucigalpa Domestic Service in Spanish 1130 GMT 8 Jun 84

[Text] This is a message from the Presidential Secretariat. The Honduran Foreign Secretariat hereby announces that the foreign ministers of the Contadora Group, Rodrigo Lloreda Caicedo from Colombia, Bernardo Sepulveda Amor from Mexico, Oyden Ortega Duran from Panama, and Isidro Morales Paul from Venezuelan have announced that they will tour the Central American countries, as was considered during the recent meeting held in Panama City in April of this year.

The Panamanian and Venezuelan foreign ministers confirmed to Honduran Foreign Secretary Edgardo Paz Barnica that the Contadora foreign ministers will arrive in Tegucigalpa early Saturday afternoon. They will visit Honduran President Dr Roberto Suazo Cordova and meet with other high Honduran Government officials.

Later, the Contadora foreign ministers will visit other Central American countries.

## Panamanian Envoy on Contadora

PA081904 Tegucigalpa Televisora Honduras in Spanish 0130 GMT 8 Jun 84

[Text] The foreign ministers of Panama, Colombia, Mexico, and Venezuela are scheduled to arrive here in Tegucigalpa on Saturday afternoon. The Contadora Group foreign ministers will meet with President Dr Roberto Suazo Cordova, it was learned this afternoon.

The Contadora foreign ministers are thus fulfilling their announced intention to visit each of the Central American countries, as agreed at the last joint meeting of foreign ministers, held in Panama in April.

Once again Honduras has launched a diplomatic offensive to achieve true peace in Central America. Under instructions from the president of the Republic, the Honduras foreign secretary sent to the Contadora Group foreign ministers, through their ambassadors, a list of specific solutions to the problem between Honduras and Nicaragua. Here is additional information with Marcio Moya:

Foreign Secretary Edgardo Paz Barnica has presented a letter to the ambassadors of Mexico, Venezuela, Colombia, and Panama accredited to the Honduran Government and people. According to Panamanian Ambassador Salvador de la Iglesia Arias, this is a step forward.

[Begin De la Iglesia recording] We have come out of this meeting with optimism because, on behalf of the Honduran president, the foreign secretary explained to us some of the concepts included in this very important letter, which reiterates faith in the Contadora Group's peace efforts and, as usual, contributes some ideas and suggestions connected with the search for peace, which is so necessary in Central America.

Logically, it is understood -- because the Document of Objectives and the Cancun Declaration are clear and specific -- that the last word in connection with a solution or negotiation for a general peace treaty in Central America is the responsibility of the countries involved in the Central American drama, that is, the five area countries. [end recording]

Perhaps the recent meeting between George Shultz and Daniel Ortega Saavedra facilitated these efforts, we said to the diplomat.

[Begin De la Iglesia recording] Secretary of State Shultz' visit, which came as a surprise to all of us, is a positive step of rapprochement between the United States and Nicaragua, and this rapprochement could break the ice. Some people have expressed the view that no consensus has been reached about the Contadora Group's work. The United States definitely plays an important role in the Central American peace process, and this visit and the dialogue opened -- to cite the very words of Secretary of State Shultz -- are favorably looked upon. We think this is a viable way to achieve a peaceful solution and avoid a confrontation. [end recording]

The Latin American diplomats refused to comment on the letters sent by Suazo Cordova before they are read by the diplomatic chiefs in each of the Contadora Group countries.

## Minister on Negotiation

PA101855 Tegucigalpa Radio America in Spanish 2200 GMT 9 Jun 84

[Press conference by Presidency Minister Carlos Roberto Flores at President Roberto Suazo Cordova's house in La Paz, on the occasion of a visit by the Contadora Group foreign ministers; questioners unidentified -- live]

[Excerpts] [Flores -- in progress]... the [Contadora] foreign ministers delivered to President Suazo Cordova a document summarizing -- as was explained to us -- the 21 points that were originally on the agenda so as to achieve a peaceful and negotiated settlement to the conflict in Central America. Moreover, President Suazo gave to the members of the Contadora Group a note addressed to the presidents of those four countries, giving Honduras' views on the negotiation process.

[Question] What is Honduras' point of view on the negotiation process?

[Flores] That we should -- and this is what we are doing -- seek a peaceful and negotiated solution. We have said that the problems are of various natures. There are internal problems in these countries, there are bilateral problems, and there are some issues of a regional or multilateral nature.

Discussions within the Contadora Group are limited to an analysis of the various problems. Such discussions should not pursue the interests of one country to the detriment of the interests of other countries, but rather the interests of the entire region. There should be discussion of political, economic, internal security, and other problems that because of their nature could generate tension or be a source of conflict.

[Question indistinct]

[Flores] Attitudes should not run contrary to words. In other words, the declaration of principles and objectives must be consistent with the attitudes of the various countries, with the political inclination prevailing in the various countries. When one begins a negotiating process and pledges a commitment to a peaceful negotiating process and pledges a commitment to a peaceful negotiating process and a peaceful solution for Central America and then, on the other hand, issues statements such as that a certain country will continue to arm itself to the teeth and that it will continue the process of what we could call radicalization of a totalitarian system -- this contradicts the professed commitment to peace. However, if there were a rectification by that country, that is, if a return to democratic paths, a verified return to the military balance in the near future, and certain other decisions were reached regarding the various problems that have been analyzed, then there could be a peaceful solution to the Central American conflict.

CONTADORA MINISTERS ARRIVE IN GUATEMALA

To Meet With Mejia

PA090330 Guatemala City EL GRAFICO in Spanish 8 Jun 84 p 2

[Excerpts] Guatemala City, 7 Jun -- The Contadora Group foreign ministers will arrive in Guatemala on Saturday to meet with General Oscar Mejia Victores, Guatemala's head of state, following an earlier meeting with Guatemala's Foreign Minister Fernando Andrade.

The foreign ministers who will arrive tomorrow at 1600 are Bernardo Sepulveda from Mexico, Oyden Ortega from Panama, Isidro Morales Paul from Venezuela, and Rodrigo Lloreda Caicedo from Colombia. Minister Andrade will welcome them at La Aurora Airport and meet with them there.

Ramon Celada Carrillo, public relations secretary of the presidency, said that it was reasonable to expect that as a result of the meeting an important statement on the peace process in Central America will be issued. It will be made known to all countries interested in finding a lasting solution to the area's conflict. With Gen Mejia, the foreign ministers will discuss all aspects of the Central American crisis. They will also analyze the reports and recommendations submitted by the Contadora working commissions.

#### Sepulveda on Proposal

PA101531 Panama City ACAN in Spanish 1433 GMT 10 Jun 84

[By Carlos Rodolfo Mobil]

[Text] Guatemala City, 10 Jun (ACAN-EFE) -- The Contadora Group today asked the countries involved in the Central American crisis to dismiss the military solution as a formula to attain peace in the strife-torn region.

The foreign ministers of Mexico, Colombia, Venezuela, and Panama arrived in Guatemala last night after visiting Costa Rica, Nicaragua, and Honduras. They will go to El Salvador today to conclude their lightning trip through Central America.

Mexican Foreign Secretary Bernardo Sepulveda Amor said that "the first matter that appears necessary and indispensable for achieving peace is "to guarantee the creation of peaceful conditions in Central America, which requires that anything dealing with the arms process, with a military solution, be dismissed."

The "draft proposal" delivered to the Central American governments "notes that the three basic aspects that must be fulfilled to secure that peace are security, the strengthening of political institutions, and the socioeconomic development of the countries," the Mexican diplomat noted. "Included therein are aspects on the control and reduction of the arms buildup; elimination of the advisers, bases, and military maneuvers; and control of arms trafficking," Sepulveda explained.

According to the Mexican foreign secretary, "these chapters represent key aspects to secure the peace process in Central America."

"It must be based on a framework that signifies total respect for the principles of international law," Sepulveda said, referring to the conflicts between Honduras and Nicaragua, which have given rise to the crisis on the isthmus.

"It is necessary to proscribe the use of force, that states refrain from using their territory to stage actions of destabilization against another state, and that the territorial integrity and sovereignty of the states be respected," he added.

Mexico. Foreign Secretary Bernardo Sepulveda and Foreign Ministers Rodrigo Lloreda of Colombia, Isidro Morales Paul of Venezuela, and Oyden Ortega of Panama began a tour of the five Central American countries yesterday to deliver to their governments a "draft proposal" that might be the "final document" for the signing of a peace treaty in the region.

CONTADORA TOUR ENDS IN SAN SALVADOR

PA101840 Panama City ACAN in Spanish 1815 GMT 10 Jun 84

[Text] San Salvador, 10 Jun (ACAN-EFE) -- The foreign ministers of the "Contadora Group" today ended here a tour of the Central American region to deliver to the chiefs of state of each country a document that serves as a basis for the final drafting of the peace treaty.

The foreign ministers of Colombia, Venezuela, and Panama took off from the Ilopango Military Airport in this capital shortly after 1100 local (1700 GMT) aboard a Colombian Air Force aircraft that brought them from Guatemala, the previous stop on their tour of the isthmus. For his part, Mexican Foreign Secretary Bernardo Sepulveda left in a helicopter for the international airport to board a commercial flight to return to his country.

The Latin American foreign ministers spoke for 2 hours with Salvadoran President Jose Napoleon Duarte and other cabinet officials.

Venezuelan Minister Isidro Morales Paul stated in a brief press conference that the efforts of the "Contadora Group" now enter a new stage of organization and systematization of their agreements.

COSTA RICAFOREIGN MINISTRY DENIES NICARAGUAN ALLEGATION

PA090213 Panama City ACAN in Spanish 0052 GMT 9 Jun 84

[Text] San Jose, 8 Jun (ACAN-EFE) -- The Costa Rican Foreign Ministry has issued a communique criticizing recent statements by the Nicaraguan Foreign Ministry in which it levied serious charges against the Costa Rican authorities.

"The version disseminated by Managua entails a verbal war on the Costa Rican Government which in no way contributes to an easing of tensions between the two states," the Costa Rican note says. The communique adds that "the Contadora commission verified that there is no proof that the attack suffered by the Sandinist People's Army [EPS] on 5 June originated in Costa Rican territory."

"The Costa Rican Foreign Ministry emphatically reiterates that the utilization of the media and international news agencies to spread inaccurate reports...in no way contributes to the climate of detente which both governments have tried to maintain ever since the Supervision and Prevention Commission was created," the communique says in conclusion.

The reason for Costa Rica's criticism was an assertion by Nicaragua that the Costa Rican Rural Guard cooperated with the Nicaraguan rebels in the attack staged against the EPS at Penas Blancas on 5 June.

BORDER WATCH TO BE IMPROVED AGAINST FDN ACTIONS

PA081738 Panama City ACAN in Spanish 0219 GMT 8 Jun 84

[Text] San Jose, 7 Jun -- The Governments of Costa Rica and Nicaragua today agreed to improve their watch over the common border in view of announcements that the Nicaraguan Democratic Force (FDN) has troops in that area.

Alberto Fait, acting president of Costa Rica, spoke by telephone with Sergio Ramirez, member of the Nicaraguan Government, to discuss measures to reinforce the area, it was reported here.

The anti-Sandinist FDN is fighting the Managua regime in the north of Nicaragua, but according to recent reports it is now taking positions in territory that until now had been occupied by the forces of Eden Pastora -- military commander of ARDE [Democratic Revolutionary Alliance] -- in southern Nicaragua.

The Costa Rican Government will not allow warlike activities in its territory, said Fait, who noted that exiles in his country must limit their activities to politics.

Public Security Minister Angel Edmundo Solano added that he has reports about alleged FDN activities in southern Nicaragua, near the Pacific coast. He has ordered border guards to see that "all the groups" respect the Costa Rican principle of neutrality.

#### SECOND SUSPECT SOUGHT IN PASTORA ATTACK

PA081945 San Jose Radio Reloj in Spanish 1200 GMT 8 Jun 84

[Excerpt] Major Rodolfo Jimenez, deputy director of the Costa Rican National Security Agency, announced last night that the woman that was with Peer Hansen der Anker -- presumably the perpetrator of the attack against Eden Pastora in Las Pencas, Nicaragua, which killed 9 people and injured 17 -- has been identified.

Our authorities have identified (Patricia Anne Bond) as the woman who accompanied Hansen der Anker on his Costa Rican tour. (Bond) travels with French passport No 75-17-36-18-03. She is 34 years old, dark, of medium height, and has black hair. Maj Jimenez has asked the citizens to cooperate in locating (Patricia Bond), the second suspect in the terrorist attack in Las Pencas. This terrorist did not stay at the La Gran Via Hotel with Hansen der Anker -- a Basque, and presumably a member of ETA [Basque Fatherland and Liberty] -- which is a tactic used to avoid the two being linked.

#### EL SALVADOR

#### REY PRENDES ON POSSIBLE TALKS WITH GUERRILLAS

PA101625 San Salvador Radio Cadena YSU in Spanish 1840 GMT 9 Jun 84

[Text] The government elected by the people will talk with the guerrillas, but only when their political leaders, not their commanders, make the decisions. This was stated yesterday by Julio Adolfo Rey Prendes, vice president of the Legislative Assembly, and minister-designate of the presidency.

After explaining that he is minister-designate, has not yet been sworn in to that post, and hence continues to be vice president of the Legislative Assembly, Rey Prendes said the following in answer to a question as to whether contacts had been established with the extreme left:

[Begin Rey Prendes recording] I was asked about the dialogue recently by a visitor, and I said: Some dialogue is carried out with the intention of solving a problem, and some dialogue is carried out for publicity purposes. As far as this dialogue is concerned, the talks were announced to the entire world before being proposed to us.

Second, the president of the Republic already said in his inaugural speech that we, the members of the government, have been elected by the people. The politicians and a particular political party have been placed in government. Therefore, at the appropriate moment, we will talk with the [FMLN] political leaders. We must necessarily begin a process of dialogue with the political leaders to seek peace. However, the FMLN political leaders have apparently lost power, and the commanders are the ones who are handling this situation. The ones in charge are the FMLN [military] commanders, not the political leaders. In this case, if we were to talk with the commanders, we might as well delegate our power to the Armed Forces, telling them: You talk with the guerrilla commanders. You who carry the weapons should talk with the guerrillas, and the rest of us should wash our hands of the situation and leave. We would have no place in this country if those who carry the weapons were the ones to discuss the country's problems.

We politicians have to demonstrate that we have real authority, received from the people, and that we have the authority to make decisions. We have to talk with the political leaders, and they also have to demonstrate that they have authority over the guerrilla commanders. [end recording]

Later, in reference to the third point [as heard], Rey Prendes said that the current conditions prevailing in the country make this an inauspicious time to begin a process of dialogue between the government and the extreme left.

[Begin Rey Prendes recording] Third, we believe that a dialogue at this time would be somewhat complicated. [Words indistinct] they want to carry out agrarian reform, nationalize banking, nationalize foreign trade. They want to democratize the country. They want to solve the human rights problem. We see those solutions as dangerous. It may not suit some. Some people would not like it. We have nationalized banking. There were also some who did not like our way of nationalizing the banks, [words indistinct] or our way of facing a number of the country's problems. We have also nationalized foreign trade, and we have democratized the country. [Words indistinct], but there is a climate of respect for human rights.

If we are going to talk now, any invitation to another country to participate in a (?negotiating) process, any invitation extended to come to work and participate in the process in El Salvador, will receive the following simple answer: Who can guarantee at this time that we will be able to move around freely in El Salvador? They will not believe that they can come to El Salvador with peace of mind until it is proved that [words indistinct]. Then we will be able to talk. Then we will be able to begin, as President Duarte said, a national dialogue, if we really want to participate in a dialogue that will truly lead to peace. [end recording]

#### GUERRERO PLEDGES TO INVESTIGATE ROMERO'S DEATH

PA080439 San Salvador EL MUNDO in Spanish 6 Jun 84 p 1

[Excerpt] "Today or tomorrow I will ask for a meeting with Msgr Arnulfo Rivera y Damas, the archbishop of San Salvador, and as the country's attorney general I will place myself at his disposal to proceed with the investigation and to clarify the death of Msgr Romero," Dr Jose Francisco Guerrero told EL MUNDO after he was sworn in by the Legislative Assembly. The attorney general made the statement in response to queries about the measures he will take in view of Msgr Rivera y Damas' request, in behalf of the church, that the death of Msgr Oscar Arnulfo Romero on 24 March 1980 while he was saying mass be investigated and clarified. Dr Guerrero said he will meet with the archbishop and will seek his help to try to clarify the murder and punish the culprits.

FORMER POLICE CHIEF REPORTEDLY COMMITS SUICIDE

PA081953 San Salvador Radio Cadena YSKL in Spanish 1645 GMT 8 Jun 84

[Text] Reliable sources have reported that this morning, at approximately 0830, Colonel Antonio Lopez, who was chief of the National Police during the administration of General Romero, committed suicide for unknown reasons.

REPORTAGE ON GOVERNMENT-REBEL MILITARY ACTIVITY

## COPREFA on 6-7 Jun Operations

PA082300 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 8 Jun 84

[Armed Forces Press Committee communique -- date not given]

[Text] On 6 and 7 June, the Armed Forces carried out various antiterrorist actions in zones of the national territory, inflicting 10 dead and a still undetermined number of wounded; the Armed Forces also confiscated materiel and equipment. In addition, the Armed Forces suffered 12 casualties. The first clash took place in San Gerardo, San Miguel Department, when troops of the Ponce Battalion, of the 3d Infantry Brigade headquartered in that same department, ambushed the terrorists and inflicted eight dead and many wounded and confiscated two rifles and a great deal of ammunition. In addition, soldiers of the 4th Infantry Brigade, headquartered in El Paraiso, Chalatenango Department, carried out a similar operation in the vicinity of (Santa Barbara) Farm, Guazapa jurisdiction. The Army inflicted two dead and an undetermined amount of wounded on the rebels, in addition to confiscating the following materiel: one M-16 rifle one AR-15 rifle, one M-16 ammunition clip and a large amount of other ammunition. The Armed Forces suffered no casualties during these two actions. Furthermore, soldiers of the Arce battalion clashed with rebels in the village of Las Mesitas, Juquilsco jurisdiction, Usulután Department. The Armed Forces inflicted a large number of wounded on the terrorists, and two solidiers were slightly wounded. Likewise, cavalry forces clashed with rebels near the town of Cruzadilla de San Juan, Juquilsco jurisdiction, Usulután Department. One soldier was wounded as were many terrorists; they were taken away by their comrades. The last operation took place near the camp of Zamoran, Jiquilsco jurisdiction, Usulután Department, when members of a rebel group tried to surprise troops of the 6th Infantry Brigade, headquartered in Usulután Department. Nine soldiers and an undetermined number of rebels were wounded. The troops also confiscated two 2-band radios and many M-79 grenades.

## Farabundo Martí Reports Clashes

PA090405 (Clandestine) Radio Farabundo Martí in Spanish to El Salvador 0100 GMT 9 Jun 84

[Text] Attention, attention, Salvadoran people, we now give you a report about yesterday's clashes in Usulután Department: Attention, Salvadoran people, the CONARA [National Commission for the Reconstruction of Affected Areas] Plan's troops continue to be worn down under the attacks of our people's army. Yesterday, 7 June, at 1600 in El Zamoran canton, Usulután Department, special troops of the FMLN's Arce Zablah Brigade, BRAZ, attacked a military convoy carrying a 105-mm mortar. Troops of the 6th Infantry Brigade were traveling in the convoy. Attention, attention, our attack on the convoy carrying a 105-mm lasted 30 minutes, and one truck was destroyed. Preliminary reports reveal that we have inflicted 18 casualties, dead and wounded, on the enemy. The dead include an officer of the puppet Army.

We now receive information which reveals that Colonel Julio Cesar Yanez -- the criminal who participates in the CONARA Plan -- was forced to pull his artillery troops out of the town of Tierra Blanca because our military units carried out several simultaneous guerrilla actions aimed directly at the enemy's rearguard. We have also attacked the Arce Battalion's positions in the town of Las Mesitas, on the coastal area of Usulután Department. We attacked Navy forces in this same place some days ago. On this occasion we inflicted two casualties on the elite Arce Battalion: one dead and one wounded.

#### Venceremos on Usulután Fighting

PA102211 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 10 Jun 84

[Text] The United States' CONARA [National Commission for Reconstruction of Affected Areas] plan is failing in Usulután Department. The activities of our military units and the organized growth of the masses continue to defeat the dictatorship. The Coastal Highway has become the highway of defeat for the pro-Yankee dictatorship's Army. Attention; the activities of the FMLN continue. Lately Usulután has become a headache for the U.S. advisers and the high command. From the coast of [words indistinct] we have received the following information:

Today at 0900 an Arce Battalion patrol was attacked by the FMLN. The Rafael Arce Zablah Brigade's Southern Front inflicted three casualties on the forces of the dictatorship. Also, today at 0930 the heroic forces [words indistinct] in the area of the Francisco Sanchez Southeastern Front ambushed forces of the dictatorship in the area known as El Muerto. The ambushed forces were of the Arce Battalion, the battalion trained by the United States in Honduras. Attention, the FMLN continues to wear down the Arce Battalion. During the ambush in the area known as El Muerto in the Francisco Sanchez Southeastern Front, we inflicted four dead and three wounded. The total number of enemy casualties during this ambush was seven.

We have more information from Usulután Department, territory of victories and ample activities of the FMLN: In Las Mesitas hamlet new skirmishes between the Rafael Arce Zablah Brigade forces and the Arce Battalion were reported. This is the third skirmish reported in Las Mesitas hamlet. The enemy suffered one dead and several wounded.

From the FMLN's southeastern front we learned that on 6 June at [words indistinct] morning the Rafael Arce Zablah Brigade's forces took control of the Coastal Highway near [words indistinct] El Coyolito. Cavalry and 6th Infantry Brigade forces -- Colonel Julio Cesar Yanez' battered forces -- clashed with our forces, and we inflicted four more casualties. We suffered no casualties.

In Usulután, territory of victories, the FMLN is wearing out the enemy. Between 28 May and 8 June our units have inflicted approximately 80 casualties on the dictatorship's forces. Three officers of the puppet Army are included among the casualties. Usulután advances. In Usulután the workers without weapons are building the people's power.

#### FARABUNDO MARTI CRITICIZES GUERRERO APPOINTMENT

PA090430 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0100 GMT 9 Jun 84

[Text] The state of legality and respect for the laws and people's rights should be based on the full enforcement of human rights and a real freedom of press, without discrimination or censure. However, everything seems to indicate that despite what Duarte says about governing with the Constitution in hand, he will really be governing with a dagger in hand.

According to the country's law, the attorney general's office has been created to guarantee the full and effective enforcement of our human rights. However, the man who has been appointed as head of this office is none other than lawyer and gangster Jose Francisco Guerrero. He is a former deputy who worked for the criminal regimes of Fidel Sanchez Hernandez and Arturo Armando Molina; he is also a former head of the corrupt court of [word indistinct]; defender of the oligarchy; juridical adviser of ARENA [Nationalist Republican Alliance]; and a well-known violator of the law.

Who knows what rights Jose Francisco Guerrero will defend? He will not seek to clarify things; instead he will try to cover up the situation and the deaths of our people. Jose Francisco Guerrero has no intention of clarifying Msgr Oscar Arnulfo Romero's murder. Jose Francisco Guerrero is only trying to mock the people's will and prepare a cover for Jose Napoleon Duarte's government.

Duarte destroys with one hand what he builds with the other. While he offers respect for human rights and governing with the Constitution in his left hand, his right is none other than Jose Francisco Guerrero, a well-known enemy of the people's interests. The Constitution says that the attorney general's office should defend the Salvadoran people's rights, but our people can only say: Do not defend me, buddy! Napoleon Duarte is governing with a dagger in his hand!

#### HONDURAS

#### PAZ BARNICA ON U.S.-NICARAGUAN RELATIONS

PA081543 Tegucigalpa Domestic Service in Spanish 1130 GMT 8 Jun 84

[Text] Honduran Foreign Secretary Edgardo Paz Barnica has said that Honduras maintains a dynamic stance within the framework of the peace efforts for Central America and has never tried to be an abiter or play a role of supremacy. In this way, Paz Barnica countered those who criticize our foreign policy by saying that the bilateral dialogue between U.S. Secretary of State George Shultz and Daniel Ortega from Nicaragua endangers the Honduran stance regarding an overall, multilateral solution to regional problems.

According to Paz Barnica, every country has its own foreign policy and, in the relations between states, there are convergent and divergent interests regarding the defense of principles and values of each member nation of the international community. Paz Barnica added that Honduras has not tried to police the Central American situation. What has really happened is that Honduras holds a strategic geopolitical position and plays an important role, because of its democratic government, in seeking a balance in the various regional aspects.

Saying that each state has its own foreign policy, Paz Barnica added that Honduras would not be isolated in case of a bilateral agreement between the United States and Nicaragua. The particular foreign policy of each state indicates its independence and does not harm existing international agreements for cooperation and mutual respect.

Paz Barnica said also that Shultz' visit to Nicaragua had been reported to him earlier, and the visit's completion was reported to him later.

Finally, Paz Barnica reported that he had met with Shultz to discuss the matter on the occasion of Salvadoran President Jose Napoleon Duarte's inauguration.

Honduras maintains a stance for an overall and regional solution to the Central American conflict. This stance includes the six points of the Honduran peace proposal made on 23 March 1982. All these aspects have been considered in all documents approved by the Contadora Group, an organization that seeks an overall, regional solution because the area's problems are also of an overall, regional nature, Paz Barnica said.

#### ARMED FORCES EXAMINING U.S. MILITARY AGREEMENTS

WAl11000 Rome IPS in English 7 Jun 84

[By Manuel Torres]

[Text] Tegucigalpa, June 7 (IPS) -- The Honduran Armed Forces is showing signs of taking a closer look at its military alliance with the United States. Armed Forces Commander Gen Walter Lopez signalled the changing mood last night when, in a nationwide address, he sharply criticized his predecessor, Gen Gustavo Alvarez Martinez. Gen Alvarez, considered close to the Reagan administration's policy in Central America, had been accused by Honduran opposition sectors of promoting war against neighboring Nicaragua, which he once called "a cancer that must be stamped out." The actions of the new military leadership, Gen Lopez said, "obviously contrast with the verbal, confrontational, and threatening excesses that were common in the past, but this prudence should not be interpreted as a sign of weakness." He also said the Honduran military firmly supported the peace efforts of the four-nation Contadora Group.

And in a passing reference to the United States, Gen. Lopez said foreign military assistance should not threaten the country's "national dignity." The United States' Regional Military Training Center (RMTTC) at Puerto Castilla on the Atlantic coast is now the main focus of the nascent shifts in the U.S.-Honduran military agreement. One reason the center is causing friction in Honduras is that more Salvadorans are receiving training there than Hondurans. Honduran military officials have said they want to change the ratio of Hondurans to Salvadorans receiving training at the center from 1-2 to 3-2, which could result in a cutback in the number of Salvadoran troops at the RMTTC. The RMTTC was created on June 20, 1983, after secret negotiations between the Pentagon and Gen Alvarez. Gen Alvarez authorized installation of the RMTTC without consulting the Honduran legislature, which approved the move after the fact and against the will of some legislators who were irritated at Alvarez's initiative. About 150 U.S. Green Berets oversee counterinsurgency training for Honduran and Salvadoran soldiers at the regional training center, which is seen as an extension of the U.S. military bases in the Panama Canal Zone. The Salvadorans' presence in Honduras had always been a thorn in the side of many Hondurans, who feel lingering resentment toward their western neighbors because of age-old territorial disputes and a brief but bloody war which broke out in July 1969.

When the Honduran military command indicated it wanted to end the training of Salvadorans at the RMTTC, U.S. officers reportedly speeded up courses then under way for El Salvador's Bracamonte Battalion, which returned to El Salvador May 25. U.S. diplomatic response in Tegucigalpa was guarded. One embassy spokesperson told reporters that the freeze on Salvadoran training was "a temporary decision by our Honduran friends, who feel that they should receive more economic aid from the United States to overcome their internal crisis." Some Honduran legislators have noted that the Salvadorans being trained at the center could someday be on the other side of the firing line from Honduras, as happened in 1969. U.S. Ambassador to Honduras John Dimitri Negroponte admitted that "in 1983, 1,500 Salvadorans and 700 Hondurans were trained (at the RMTTC)," but he said that "this year an adjustment is planned so that the proportion will be equal."

"Efforts are being made to balance the proportion of military troops from the two countries who are trained at the RMTTC," he said, "since after all it is an installation which operates under the jurisdiction of the Honduran Government."

Negroponte also announced that Honduras intends to move the RMTC to a new site, to avoid having to repay a Puerto Rican landowner, Temistocles Ramirez, for land which he claims is his and was used for the training center. Ramirez is demanding compensation of \$8 million, and U.S. officials say Honduras must pay him before Washington metes out any more aid here. But observers here see the RMTC matter as just the first in a series of changes which Honduran officers will propose to the United States.

For the moment, Negroponte is stressing that all the U.S.-Honduran cooperation projects "are carried out in the spirit of mutual interest." The arrangement "is not favoring one country and hurting the other," he said.

Hondura's economy is in a severe nosedive, meanwhile, and officials here see a healthy injection of U.S. aid as the only way to get it back on course. In 1982, Washington provided more than \$100 million to its main Central American ally. Honduran President Roberto Suazo sent President Ronald Reagan a letter in July 1983, asserting that Honduras was paying a high price for its alliance with the United States and, as a loyal ally, should receive better financial treatment. Honduras asked for more than \$300 million in aid to meet the budget deficit, and proposed that Washington encourage U.S. investments in Honduras in the short term, to the tune of \$300-\$400 million. When the National Bipartisan Commission on Central America, headed by former Secretary of State Henry Kissinger, visited Honduras last year, Honduran officials repeated that request, but received no response. The U.S. Embassy in Honduras argues that the current U.S. aid is ample, and notes that the Agency for International Development (AID) is increasing its funding to the nation in several areas. This year, AID will give Honduras \$168.9 million, and next year \$139 million, but those sums are still less than the payments Honduras faces on its \$2 billion foreign debt.

Honduras' dissatisfaction with the economic "trade-off" with the United States cannot fail to affect the military arrangement, and Honduras has bargaining power as the key U.S. ally in Central America.

#### ARMED FORCES CHIEF'S REMARKS DRAW PRAISE

WAl11010 Rome IPS in English 7 Jun 84

[Excerpts] Tegucigalpa, June 7 (IPS) -- A pledge today by Honduran Armed Forces Chief Gen. Walter Lopez Reyes to support peace efforts in Central America and respect for human rights in Honduras, drew favorable responses here today. Opposition leaders and human rights activists who have been dismayed by the Honduran military's behavior in the past are hailing Lopez Reyes' remarks as the opening of a new role for the Honduran Armed Forces.

The independent Radio Tegucigalpa today hailed the commander's remarks as a sign that the Honduran military will now help guarantee democracy in the country. Radio America said that Gen. Lopez Reyes' position on rectifying the errors of Gen. Alvarez is "worthy of praise." Lucila Funes, a reported and human rights investigator, termed Lopez Reyes' stance "positive, because the military is admitting that it has made mistakes."

Zenaida Velasquez, president of the Committee of Families of Missing People (COFADEH), said human rights activists are pleased that the military command "is showing some sign of (intending to find) our loved ones." "We have faith that the military will respond on the missing people question and will recover its lost prestige," said Velasquez, whose brother, Manfredo Velasquez, was kidnapped more than a year ago, presumably by government forces, and has not been seen since.

Most of the workers' and peasant farmworkers' organizations that have felt neglected by President Roberto Suazo Cordova's government now feel that they have a receptive interlocutor in the military. Lopez Reyes has already met with the leaders of the three main workers' confederations -- the rightist Confederation of Honduran Workers (CTH), the leftist United Federation of Workers (FUTH) and the Christian Democratic General Federation of Workers (CGT). The unionists reported favorably on their talks with the commander, and the United Peasants' Front (FUNACAMH), which groups most of the rural worker's organizations, has now presented a long list of proposals for Lopez Reyes' consideration.

### 23 PEOPLE PLANNING DEMONSTRATION ARRESTED

PA090238 Paris AFP in Spanish 0152 GMT 9 Jun 84

[Text] Tegucigalpa, 8 Jun (AFP) -- Early this morning the police "violently" arrested 23 political leaders and professionals who were preparing a protest demonstration against the government in El Progreso, 280 km north of Tegucigalpa, according to information revealed by the arrested persons' relatives. According to reports, the arrested persons include leaders of the Liberal Party (in the government), as well as outstanding opposition leaders and professionals living in this city, population 100,000.

Spokesmen for several political organizations and unions explained here that the police broke into several homes during the early morning hours, sometimes using tear gas. The organizations today issued communiqués protesting the police corps' procedures.

The 23 arrested persons were preparing a protest demonstration for next Sunday against the new taxes decreed by the government; so far, the police have not presented charges against them.

The arrested persons -- who remain isolated -- include a 12-year-old boy who was captured with his parents; school teachers; a doctor, Manuel Benitez Chacon; and a leader of the Liberal Revolutionary Democratic Movement (MLRD), a faction of the government party.

General Walter Lopez Reyes, chief of the Armed Forces, has said he has no information about these arrests; he added that if they have taken place, this was done according to President Roberto Suazo Cordova's orders through the Public Security Forces (FUSEP).

Meanwhile, MLRD President Jorge Arturo Reyna has demanded the immediate release of these people and accused the government of violating their constitutional rights. In addition, opposition leader Casco Callejas has requested the release of Hector Veraz, who is a leader of the Innovation and Unity Party (PINU) in El Progreso.

### ARMED FORCES ON 2 JUNE CLASH WITH ARMED GROUP

PA081707 Tegucigalpa Televisora Hondurena in Spanish 0130 GMT 8 Jun 84

["Official communiqué" released by the Honduran Armed Forces Public Relations Directorate; date and place not given]

[Text] The Honduran Armed Forces announces to the national public that at 1900 on 2 June 1984, an armed clash took place between a patrol of the 12th Infantry Battalion and an armed group made up of about 30 people, who were coming from El Salvador. The clash took place in the place known as (Cerro Suyaque), about 6 km southwest of San Marcos de Ocotepeque, Ocotepeque Department.

As a result of this clash, three individuals died and three others were detained. One of the detainees is injured. The rest of the group fled the site of the clash.

The military command notified the appropriate authorities so they could take the proper legal steps. The authorities (?showed up) at the scene of the incidents, and a judge prepared a formal document.

#### NICARAGUA

##### DANIEL ORTEGA COMMENTS ON RELATIONS WITH U.S.

###### Reagan 'Forced' To Seek Dialogue

PA101612 Managua Radio Sandino in Spanish 1300 CMT 10 Jun 84

[Text] U.S. President Ronald Reagan has been forced to seek dialogue with Nicaragua because of pressure exerted by the Congress, said Daniel Ortega Saavedra, coordinator of the Junta of the Government of National Reconstruction. He said that Mr Reagan faces a big problem because the Congress is discussing the approval of \$4 or \$7 million to terminate [desmantelar] the operation against the Sandinist people's revolution. The revolutionary leader added that in its talks with the U.S. representatives, Nicaragua has proposed the demilitarization of the region to the Reagan administration, which has failed to respond and, on the contrary, has increased its military force in Honduras and other countries of the region.

###### On Shultz Visit, Ocotal Attack

PA101641 Managua Radio Sandino in Spanish 1300 GMT 10 Jun 84

[Text] The visit of U.S. Secretary of State George Shultz to Nicaragua cannot be isolated from the counterrevolutionary attack on Ocotal, because many times when a U.S. Government representative has arrived in our country there have been attacks on border townships. This statement was made by Daniel Ortega Saavedra, coordinator of the Junta of the Government of National Reconstruction. He added that radio communications between the counterrevolutionaries had permitted detection of the fact that the attack on Ocotal was directed by the CIA, and that in the radio communications members of the self-styled Nicaraguan Democratic Force, FDN, complained about the many dead that the criminal action had cost them.

Commander Ortega said that dozens of peasant militia battalions are being deployed jointly with the Battalions for Unconventional Warfare [Batallones de Lucha Irregular -- BLI] on the outskirts of each community with the objective of not permitting the infiltration of CIA mercenaries into the border townships.

###### Questions U.S. Intentions

PA101812 Paris AFP in Spanish 1736 GMT 10 Jun 84

[Text] Managua, 10 Jun (AF) -- Nicaragua "does not dismiss" the possibility of acquiring Soviet- and French-made "rapid aircraft" ["aviones rapidos"] to halt the "constant" air incursions in the country, Daniel Ortega, coordinator of the Junta of the Government of National Reconstruction, declared here.

After touring northern Nicaragua during the weekend, Ortega questioned the intentions of the United States to establish a dialogue with Nicaragua, noting that the latest efforts to that effect might be "a propaganda maneuver" of the Reagan administration.

However, in a brief talk with newsmen, the junta leader said that Nicaragua harbors "the hope of a dialogue" and "maintains its will to negotiate with the United States," despite the fact that the relations with that country are "as bad" as they were 6 months ago. He recalled that Nicaragua proposed the demilitarization of Central America, to include the departure of military advisers and the dismantling of U.S. bases in Honduras.

Also, the Sandinist leader said that with the departure of General Gustavo Alvarez as Honduran Army commander, "some space for dialogue" has been opened with the authorities in Tegucigalpa, "But we cannot create expectations as long as the U.S. military presence persists there."

It was recalled that Nicaragua has accused Honduras of serving as a springboard for counterrevolutionary groups that attack the northern part of the country and of permitting the use of its airports for the departure of espionage flights against Nicaragua. Also, Ortega, who did not give any more details on the purchase of warplanes, termed "very difficult" the situation of Costa Rica, where "the United States has been imposing a de facto situation to gain ground with its military presence."

This, he added, occurs despite the fact that "the government, the majority of the officials, and the people of Costa Rica defend the neutrality policy of President Luis Alberto Monge."

Nonetheless, Enrique Chacon, deputy government minister of Costa Rica, was described by Ortega as "one of the barefaced agents of the CIA" in that country, who is implicated in actions that support the groups fighting the Sandinists. Our government, Ortega said, has information that there are small groups of the Nicaraguan Democratic Force (FDN) in Costa Rica, concentrated in the border section of Penas Blancas, 140 km from Managua.

#### HUMBERTO ORTEGA ON FIGHT AGAINST 'AGGRESSION'

PA091526 Managua Radio Sandino Network in Spanish 1200 GMT 9 Jun 84

[Text] Defense Minister Commander Humberto Ortega has said that the Sandinist people's revolution is facing the war strategy we are enduring with a revolutionary strategy: the people's war. Our workers and brave young men are wielding thousands of rifles in accomplishing their military and security tasks for the defense of the nation and the revolution. This statement was made by Humberto Ortega, who is also commander in chief of the Sandinist People's Army and national commander of the Sandinist People's Militia.

Commander Humberto Ortega has also referred to the continuous mobilization of our people to face and defeat the open war strategy of the U.S. Administration against our country.

[Begin Humberto Ortega recording] We are on a war footing to defend this revolution of the humble and working people with our blood. We are on a war footing to defeat the war that has been imposed on us by the current U.S. Administration.

The National Directorate of the FSLN and the Junta of the Government of National Reconstruction are adopting the necessary measures to strengthen the people's organization to face the current aggression from the United States, a military power.

The heroic people of Sandino, with the spirit of the army that defended national sovereignty and that of the unselfish FSLN guerrillas who fought against the Somozist tyranny, are fighting the mercenaries who are the vanguard of the Yankee intervention. The old rifles of the barefoot peasants who fought at Sandino's side and of the guerrillas who fought at the side of Carlos Fonseca, Silvio Mayorga, Oscar Turcios, German Pomares, and Tomacillo have given way to new and modern rifles, rocket launchers, artillery, cannons, and naval and air equipment that is being manned by Sandino's children with zeal, sacrifice, and courage. [crowd shouts slogans]

It is true that the war that the U.S. has imposed on us has produced thousands of victim victims, murdered families, orphans, and destroyed homes. However, it is also true that our brave people, who want peace, have the necessary vigor to become the best of warriors and defeat the Yankee aggression.

Everybody against the foreign intervention with the continuous massive mobilization of the people of Sandino [end recording]

#### Further Comments on 'War'

PA101943 Managua Radio Sandino in Spanish 1000 GMT 10 Jun 84

[Text] Commander Humberto Ortega Saavedra, minister of defense, commander in chief of the Sandinist People's Army [EPS], and national commander of the Sandinist People's Militia [MPS] has stated: Our revolution is facing the war that has been declared on us on the diplomatic and political fronts, as well.

He added that during the visit of George Shultz, an envoy of the U.S. Administration, our revolutionary government reiterated its firm and responsible attitude in favor of reaching agreements with the United States to guarantee true security as a framework for political solutions to end the war being endured by our people and at the same time lead to normal relations between the United States and Nicaragua.

Commander Ortega said that the entire country must become a huge rearguard to the war fronts. To achieve this, he said, we will guarantee that the entire nation will be able to participate in this patriotic effort by rotating the people's forces on the war and production fronts.

This way the workers will not only satisfy the material demands of the war fronts, they will also wield their rifles against the Yankee aggression, the commander said. Commander Ortega also referred to revolutionary actions for facing the counterrevolutionary and imperialist war against the Sandinist people's revolution.

[Begin Ortega recording] The immediate general guideline is: To break up as much as possible the mercenary forces operating in the border and mountain regions by means of a massive and continuous mobilization of the heroic people of Sandino to the war fronts, to neutralize the rightwing that conspires in our cities and towns with campaigns aimed at creating confusion as a complement to the military aggression, to strengthen the country's rearguard to buttress the war fronts and basic production, to raise and fortify the fighting spirit and mobilization disposition of the people to guarantee a massive incorporation of the people in the current fighting, and to permanently assure the country's general defense to be ready to face and defeat an eventual Yankee intervention. [end recording]

PLANNING MINISTER ON WAR, ECONOMIC SITUATION

PA090353 Mexico City UNOMASUNO in Spanish 5 Jun 84 p 11

[By correspondent Ubaldo Diaz]

[Excerpts] Managua, 4 Jun -- Commander Henry Ruiz, planning minister, has asserted that a regionalization of the war in Central America would not benefit any country in the area -- not the United States, Honduras, or El Salvador -- because the social cost would be truly high and nobody knows where it would end. He affirmed also that the United States will not be able to act with impunity in Central America because its aggressive policy will boomerang if it does not act sensibly.

Ruiz discussed the behavior of Nicaragua's economy and denied that it is being "Sovietized." He said that the Sandinist government is prepared to sell its products to anyone who pays a fair price for them and added that what it needs is to increase the volume of its exports. For this reason, he said, Nicaragua wants the harassment, the imperialist aggression, to stop. If Nicaragua is attacked, the war will spread to other Central American countries as it will defend itself and attack the aggressor nations, he said.

Ruiz noted that the aggression has stopped the economic recovery, and the economy lacks working capital despite the people's efforts. Even though the population is not being neglected, all efforts are being devoted to supporting the fighting population. This attitude leads us to assert that "it will not be possible to defeat us militarily," he said. Adding that the cost of the war on Nicaragua is already being felt in Central America, where the market has contracted substantially. This means that the social cost is being fully reflected by the Central American balance of payments.

He added that Nicaragua's four most important export items are coffee, beef, cotton, and sugar, whose prices are dropping while the cost of money is increasing. Nicaragua has never failed to meet its international obligations, he asserted, but this is preventing it from reactivating its economy.

Regarding the private sector, he noted that small- and medium-sized industries and merchants in general have evidenced a nationalist attitude, but not big capital. The revolution has protected producers, and this can be easily established. Before the revolution their accounting books reflected substantial liabilities, but their red ink turned black when the Sandinist regime began.

Ruiz vehemently denied that the private sector is being denied a role in Nicaragua. This has only been done in the case of speculators and those who exploited the people and were accomplices of Somoza during his regime. "All we demand is that their activities be brisk and that they do not help the counterrevolutionaries. We are interested in a private sector that will participate, but with a mentality that will lead it to invest and not only to get fat profits."

Commander Ruiz stressed that Nicaragua's problems are based more on political than financial factors. He said that his country is making an effort to invest its resources well, and proof of this is that it has fulfilled its commitments to the IDB and the World Bank, although efforts are being made to impose the political aspect over the financial aspect at all times. This has been compounded by the international crisis, which helps nurture growth [as published], and Nicaragua feels it is necessary to form a "Latin American debtors club."

The planning minister said that "if it were up to me I would sell the products to whoever pays the best price to my country, be it the United States or the Soviet Union because, technologically speaking, there is no possibility for us to Sovietize our economy. We trade with the socialist countries."

COMMANDER WARNS OF 'MERCENARY' ATTACK PLANS

PA081400 Managua Radio Sandino Network in Spanish 1200 GMT 8 Jun 84

[Text] Nicaragua has charged that CIA mercenaries in Costa Rican territory will attack the town of Cardenas. This announcement was made yesterday by Commander Roberto Calderon at the conclusion of a tour that the Supervision and Prevention Commission made through the area attacked by counterrevolutionaries on 5 June. Commander Calderon, who is a member of the commission for the Nicaraguan side, said that there are reports that CIA mercenary forces are being mobilized in the La Libertad sector to launch a major attack on the town of Cardenas.

Calderon also charged that there are plans to open another counterrevolutionary southern front. This one would be opened by the Nicaraguan Democratic Force [FDN]. The commander said that the so-called southern front would be under a former Somozist guard colonel with the last name of Sandino, a former major whose nickname is Diablo Morales, and another mercenary whose alias is Virgilio. These men are moving about in Costa Rica to open the counterrevolutionary southern front of the FDN.

Nicaragua has presented three reports to the Costa Rican-Nicaraguan-Contadora Supervision and Prevention Commission giving details on the latest counterrevolutionary attacks on La Pimienta, Hill 105, and Penas Blancas on 5 June.

The documents were presented to the commission yesterday during the visit that the commission made to the Nicaragua-Costa Rica border.

Roberto Calderon, commander of the 3d Military Region and member of the commission, has said that Costa Rican rural guards fired from their border positions, a fact that was admitted by the Costa Rican authorities, who alluded to the confusion that existed at the moment of the aggression. Regarding the attacks on the border posts, Commander Calderon said that the largest was the one on the Penas Blancas post, noting that approximately 60 Somozist mercenaries participated in that attack. Calderon also said that the commission will prepare an official report giving details on the results of their tour through Penas Blancas and the other areas attacked. This report will be presented to the interested parties with recommendations aimed at improving detente between the two countries.

FSLN OPPOSES CREATION OF 'INTERNAL FRONT'

PA100124 Managua International Service in Spanish 0000 GMT 10 Jun 84

[Text] The FSLN has issued a call to the Nicaraguan people to oppose counterrevolutionary plans to create an internal front. Five years after the Sandinist people's revolution, the FSLN issued a statement urging the people to launch a final offensive -- similar to the one which ousted the Somozist military dictatorship, a Yankee instrument for domination in Nicaragua. The Nicaraguan people have decided to fight and win and to advance toward the construction of their own destiny, without the U.S. intervention, the FSLN document adds.

FPR, UPN REQUEST WITHDRAWAL OF MEDIA BILL

PA091852 Managua Radio Sandino Network in Spanish 1200 GMT 9 Jun 84

[Text] The Revolutionary Patriotic Front [FPR] and the Union of Nicaraguan Journalists [UPN] yesterday jointly requested the withdrawal of the social communications media draft from the State Council.

This decision was adopted following a careful analysis of the current situation by the parties that compose the FPR and the members of the UPN national board of directors.

Deputy Commander Rafael Solis and Companero (Reinaldo Bayame) represented the FSLN at a news conference held at the FPR headquarters. The Popular Social Christian Party was represented by the party's secretary general, Mauricio Diaz. Luis Sanchez Sancho and Gustavo Tablada represented the Nicaraguan Socialist Party.

The UPN was represented by that organization's secretary general (Mini Cepe), and by its representative at the state council, Manuel Eugarrrios. It is illogical to turn the people's attention from the national defense issue now when Nicaragua is in a state of war. This was the argument put forth by members of the FPR and the UPN in publicly asking the State Council to suspend the discussions over the social communications media draft. The first seven chapters of this draft have already been approved. The draft was presented to the State Council by the FPR on 16 May. According to the members of the FPR, this is the moment for uniting all efforts to guarantee the country's defense at the side of the people.

DANIEL ORTEGA ON ELECTIONS, MEDIA BILL

PA101548 Managua Radio Sandino in Spanish 1300 GMT 10 Jun 84

[Text] The revolutionary government has the disposition and willingness to hold elections on 4 November, even if the United States is intent on obstructing our electoral process, said Commander Daniel Ortega Saavedra, coordinator of the Junta of the Government of National Reconstruction [JGRN].

[Begin Ortega recording] We have the disposition and willingness to hold the elections, as opposed to the attitude of the United States, which does not want elections in Nicaragua. The United States has opened an all-out war against us, defending it in the Congress and defending it internationally, violating all principles of international law. Hence, this is a struggle between U.S. policy -- which in an irresponsible, criminal, terrorist manner harms our people and does not want elections -- and the Nicaraguan revolution, which has proposed the electoral process, among other advancements. [end recording]

Referring to the attitude of some political parties to abstain from participating in the elections, Commander Ortega said the following:

[Begin Ortega recording] I do not think so, because in the long run there will be participation by diverse political forces, and we believe that if they abstain they will simply be responding to the U.S. plan to try and promote a vacuum in the electoral effort, thus attempting to discredit our elections. [end recording]

Ortega Saavedra also said that if the law on social communications media is withdrawn from debate in the State Council, it will be one less pretext for those opposed to the revolution not to go to the elections.

PSN LEADERS DISCUSS MEDIA BILL, ELECTIONS

PA081644 Managua Radio Sandino in Spanish 0100 GMT 8 Jun 84

["Direct Line" phone-in program, with guests Luis Sanchez Sancho, secretary general of the Nicaraguan Socialist Party, PSN; Adolfo Evertsz, a member of the PSN political commission; and an unidentified moderator -- live]

[Excerpts] [Moderator] We have here newsman Alejandro [name indistinct] of the "Thought" newscast of Radio Sandino -- no, I mean Radio Noticias -- who will ask a question.

[Newsman] Luis Sanchez, the draft of the social communications media law is being debated in Nicaragua. I would like to hear the PSN's views as a participant in drafting that document, which has been describing as harmful to national journalism.

[Sanchez Sancho] Regarding this controversial and much-discussed draft of the communications law currently being debated in the State Council, the PSN's position is well known because our representative in the State Council, Companero Domingo Sanchez, has [words indistinct] on many occasions we have expressed our opinions to the news media and the national public.

In the State Council debates, we Socialists especially opposed establishing that the Interior Ministry oversee the communications media law. We believe that freedom of expression, information, and communication is basically a human right. According to international law principles, matters related to freedom of expression, information, and communication should fall under a jurisdiction other than penal jurisdiction. Therefore, when the representatives of the Armed Forces introduced in the State Council the draft of a modification to our original draft, so that the Interior Ministry will be in charge of overseeing this law, we systematically opposed this and made our viewpoints known. However, we decided not to withdraw from the debates like other parties such as the Popular Social Christian Party [PPSC] did, because we should not abandon the fight. We believe that we will continue until the end to express our viewpoints on the articles that are being discussed at this time.

[Moderator] We will now have another question from a listener. State your name and question please.

[Name indistinct] [passage indistinct] I would like to hear the Socialist companeros' views on the country's crisis [words indistinct] state of emergency in Nicaragua [words indistinct] the emergency law?

[Evertsz] We understand that the emergency law is needed due to the situation that is essentially being experienced by the areas that are affected by the counterrevolutionary attacks. Even though the ideal would be that the state of emergency not exist in the country, the situation that imperialism is forcing us to experience leads to the decrees that the companera has pointed out. However, we have seen that in the past 2 or 3 months the escalation of the counterrevolution in our country has become really worrying and dangerous, and that it demands greater material, human, and economic resources to fight against it. This forces us as a party to seriously think about the electoral process and the elections that are being prepared for this year. We think that we will have to analyze and take into consideration the advance of the warmongering policy in Central America and the efforts being made to prevent the holding of this process in a normal political situation. We think that the time is coming when the parties of the revolution must seriously weigh the possibility of holding these elections.

The PSN has always advocated the need to institutionalize the process, but in the degree that the attacks by the counterrevolutionary bands increase; in the degree that the CIA and the international counterrevolution are increasing their attacks against our revolution in the military, economic, and political fields; and in view of the dangerous increase of all this, we will have to analyze the situation to see if there will really be an adequate and normal political situation to permit the holding of these elections on the established date of 4 November. I don't know if Companero Luis has something to add.

[Sanchez Sancho] I would like to add the following. On 18 March 1984, we carried out a thorough analysis of the development of events [words indistinct]. (?As is known), we said then that this situation of war threatens to frustrate all the efforts that the revolution is carrying out to institutionalize itself in an orderly and normal manner through the exercise of democracy, that is, through the elections. We believe that this situation cannot in any way be ignored because it is not a case of holding elections just to hold elections. We are talking about a truly serious process that will be trusted by the Nicaraguan people and that will be credible before the international community.

Therefore, we have been discussing with leaders of the Independent Liberal Party and the PPSC the possibility of introducing an initiative to reform the electoral law so that the Supreme Electoral Council will have the power to postpone the elections if by the end of October, when the campaign would end, the conditions of war and international pressures have not improved and it can be foreseen that they will not improve but rather will worsen.

We are trying to view these very important problems with the necessary responsibility. We have repeatedly said that the Socialists believe that the elections should be held in the broadest possible environment. We have demanded on many occasions the lifting of the state of national emergency at least in the areas that are more directly affected by the military conflict. [sentence as heard] However, one can see and all indications point to the worsening of the situation. One can no longer speak of isolated areas that are directly affected by the military situation. Slowly the entire country is becoming involved in a military situation. The areas where there is no fighting, where the counterrevolution has been unable to penetrate and to hold, are becoming rearguard bases of support for the combatants who are defending the territorial integrity and the revolution in the country's northern and southern regions.

Without wanting to advance definite viewpoints, since these are things that must be carefully analyzed and weighed, these are factors that we are considering so that we can reach timely conclusions and present proposals to the national reconstruction government.

#### Tablada on Talks With FSLN

PA081909 Managua Radio Noticias in Spanish 1200 GMT 8 Jun 84

[Text] The Sandinist Front has begun a new round of talks with its allies. Yesterday, it met with the Popular Social Christian Party [PPSC], which has threatened to withdraw from the alliance. It also met with the Socialists. Gustavo Tablada of the Nicaraguan Socialist Party [PSN] reports on the FSLN's talks with its allies.

[Begin Tablada recording] Just as it has been announced, independent of the situation within the Patriotic Front of the Revolution [FPR], the parties that make up that alliance continue to hold bilateral meetings among themselves to analyze the national political situation, the repercussions of our situation in the international field, and problems that directly concern the FPR.

In this sense, the PSN yesterday held a bilateral meeting with Commander Carlos Nunez, and we basically discussed the following topics in that meeting: First of all, we discussed the country's political situation. The PSN's directorate is extremely concerned about the increase of U.S. imperialism's military aggression. [Words indistinct] the conditions and what is occurring in the military field in the Nicaraguan-Honduran border region, and the intensification of these military operations, and the internal situation make us seriously think that all these actions tend to be on the increase. We must seriously think about how consistently we would be acting with regard to the defense of the revolution if elections are held on 4 November. We should view the possible advisability of postponing them until the conditions in Nicaragua are favorable. We believe that since these are going to be the first elections in our country, the mass participation of our people is a decisive factor for their success. If the situation of war (?continues) in some sectors, especially in the country's north, where there has been large migration, it would not be really positive to hold elections in those conditions because large sectors of our people could not actively participate, and this is very important. These are some general points that will later be more definitely discussed.

Another point that was discussed with Commander Nunez was the topic of the FPR. Regarding that, there is nothing new [words indistinct]. Nevertheless, the talks will continue. The PSN will also hold talks with the PPSC to find the most appropriate solution to the situation of the FPR and to the political situation of our country in general. [end recording]

RADIO 15 SEPTEMBER CITED ON NEW FDN FRONT

PA090447 Tegucigalpa EL HERALDO in Spanish 8 Jun 84 p 4

[Text] Guerrilla commands of the Nicaraguan Democratic Force [FDN] have assumed strong positions in the southern Nicaraguan mountains of Boaco and Chontales Departments, Indalecio Rodriguez A., member of the FDN civic-military leadership has reported.

A little less than 1 month ago the clandestine station "15 September" announced the formation of a new war front in southern Nicaragua, as the rebel task forces continued to advance deep into Nicaraguan territory.

Rodriguez Alaniz reported that on 3 June several patrols of the Salvador Mendieta Task Force [Fuerza de Tarea Salvador Mendieta] which is part of the Jorge Salazar Regional Command, fought for 3 hours against an elite battalion of the BLI [Battalion for Unconventional Warfare] in Las Delicias, Chontales Department.

The Sandinist troops sustained more than 30 casualties in this clash, while the anti-Sandinist rebels recovered dozens of packs, 2,000 AK-47 rounds, and a large amount of assorted medicines.

The rebel radio station reported that militia member Francisco Castillo, 27, a native of Nandaime, turned himself in to the anti-Sandinists with all his gear. The same source issued a last-minute report indicating that after the rebels retreated to their camps in the nearby mountains the Sandinist troops "coldbloodedly killed 18 peasants in Las Delicias, San Jorgito, San Antonio, Teresiano, and La Cenica."

Mgr Pablo Antonio Vega, president of the Nicaraguan Bishops Conference, had previously reported to international news agencies that this kind of Sandinist reprisal was taking place.

ANGOLAN PRESIDENT COMMENTS ON CUBAN PRESENCE

PA081855 Havana International Service in Spanish 0000 GMT 8 Jun 84

[Text] Angolan President Jose Eduardo dos Santos has stated in Luanda that the presence of Cuban internationalist troops in that country represents an element of equilibrium and deterrence under the present political circumstances in southern Africa. During a meeting with Zambian President Kenneth Kaunda, Dos Santos said that no Cuban soldier has ever violated the territory of any of Angola's neighbors, including Namibia, which is illegally occupied by the South African racists.

Dos Santos said that Angola is a country under attack, and that exercising its rights to self-defense, a right that is established in the UN Charter, it requested Cuba's internationalist assistance. Dos Santos said that the Cuban military force has nothing to do with the so-called struggle for strategic areas between the East and the West. We must not forget, the president of Angola said, that as soon as the UN Resolution 435 on the independence of Namibia is implemented, the South African forces will be replaced by others from the United Nations. This is why it is not logical for the United States to pressure Angola to begin a gradual withdrawal of Cuban troops before Namibia gains its independence, the Angolan president said.

He also criticized the governments that believe that Cuban aid to Angola represents a destabilizing factor in the region, as well as the governments that echo the campaign mounted in this regard by the United States and South Africa. Referring to Angola's current talks with Washington and Pretoria, through Zambia, the Angolan leader regretted that the position of Luanda is not being interpreted properly. He said that this dialogue is being blocked by intransigent U.S. and South African positions.

Troop Removal Conditions

FL091326 Havana Domestic Service in Spanish 1045 GMT 9 Jun 84

[Text] President Jose Eduardo dos Santos has said that the presence of Cuban troops in Angola plays a balancing role and serves as a deterrent. On receiving Zambian President Kenneth Kaunda in Luanda, Dos Santos said that South Africa's Government and the Yankee State Department continue to condition the application of Resolution 435 and Namibian independence on the removal of Cuban troops from Angola. Dos Santos said that there is not one neighboring state that can point at any border violation by Cuban soldiers coming from Angola, including Namibia, which is illegally occupied by South Africa.

He again stated the conditions for the immediate and gradual removal of Cuban troops from Angola, which are: the complete removal of South African troops from Angola, a stop to South Africa's and its allies' aggressions and threats, Namibia's independence based on Resolution 435 -- which will remove South African troops from Angola's southern border -- and an end to all support provided by South Africa and its allies to Angola's armed puppets.

Dos Santos reiterated Angola's willingness to talk in order to find a peaceful and lasting solution to the region's problems, excluding from the talks, of course, South Africa's Angolan puppets who are used to destroy and destabilize Angola.

PASO, OLYMPICS OFFICIALS ARRIVE FOR TALKS

FL081400 Havana Television Service in Spanish 1125 GMT 8 Jun 84

[Text] Mario Vasquez Rana, president of the Association of National Olympic Committees and the Pan-American Sports Organization [PASO], arrived last night in Cuba accompanied by Peter Ueberroth, president of the Los Angeles Olympic Organizing Committee. Jose Ramon Fernandez, Council of Ministers vice president, Carlos Galvan Vila, president of the National Institute of Sports, Physical Education, and Recreation [INDER]; and Manuel Gonzalez Guerra, President of the Cuban Olympic Committee [COC] welcomed the arrivals at Jose Marti international Airport.

In a brief statement to the press, Vasquez Rana denied reports that he had said in Mexico that Cuba had lost the chance to become the location for the 1987 Pan-American Games, because Cuba had never asked for that responsibility [as heard]. He added that in his statements he limited himself to announcing PASO's proposals.

## Hold Press Conference

FL091600 Havana Domestic Service in Spanish 1045 GMT 9 Jun 84

[Text] Mario Vasquez Rana, president of the Pan-American Sports Organization [PASO] and the Association of National Olympic Committees, and Peter Ueberroth, president of the Los Angeles Olympics Organizing Committee, yesterday held a press conference at Havana's Palace of Conventions.

[Begin Vasquez Rana recording] On analyzing my trip, I can say that its outcome made me very happy, because in trying to change their [socialist nations] minds about participating [in the Olympics], and finding myself unable to, I then began to look at the future of the Olympics. At present I see an extraordinarily good outlook for the Olympics. I am very happy and satisfied with the meetings which were held with each of the Olympic committees. I am especially satisfied with the support and unity which each committee will have after the Los Angeles Games.

As you know, I am also the president of PASO. The PASO committee had long ago decided to hold its conference in Havana at around this time. When Cuba reported that it would not participate in the Los Angeles Olympics I decided, as president of PASO, to cancel the meeting for the time being. I made this decision instead of risking dividing Latin America, in an athletic sense -- where a great unity has been achieved in organizing the Pan-American games.

I have known the Cuban people for a very long time, and I have also had a great friendship with Cuban leaders. And not only friendship with Cuban leaders, but with Commander Fidel Castro. I have a great deal of affection and respect for Commander Castro. I canceled the PASO meeting, but not my personal meeting and that is why I am here today. [end recording]

In his talks with Cuban and foreign reporters, Vasquez Rana talked about the Olympics' future.

[Begin Vasquez Rana recording] During my last meetings with the Olympic committees, I told them that we need to completely change the way we select the Olympic Game locations. We really need the Olympic committees to check and watch over the city which is picked, so that what happened in 1980 and what is now happening in 1984, will not happen again. And, we must watch that it does not happen in Korea. I must say today that we will fight, with all of our strength, to make the Seoul Games a success. [end recording]

Peter Ueberroth, after reiterating his well known arguments on the guarantees which exist for all athletes in Los Angeles, emphasized his satisfaction on the outcome of his meeting with Commander in Chief Fidel Castro, whom he described as being very knowledgeable about sports and the Olympics.

Manuel Gonzalez Guerra, president of the Cuban Olympic Committee, was also at the press conference.

#### CASTRO REITERATES STANCE ON OLYMPIC GAMES

PA082027 Hamburg DPA in Spanish 1945 CMT 8 Jun 84

[Text] Havana, 8 Jun (DPA) -- Cuban President Fidel Castro today reiterated that his country will not attend the Los Angeles Olympic Games, but promised not to pressure other countries such as Nicaragua and Angola to join the boycott. Castro met this morning (local time) for 3 hours with Mario Vasquez Rana, president of the Association of National Olympic Committees, and Peter Ueberroth, president of the Los Angeles Olympic Organizing Committee, who tried to convince him to authorize Cuba's participation.

Ueberroth told newsmen later that the Cuban leader believes that the solidarity of his country with the Soviet Union is "logical," because the socialist countries were the only ones who supported Cuba's sports development in the past 25 years.

For his part, Manuel Gonzalez Guerra, president of the Cuban Olympic Committee (COC), said that Cuba was not pressured at any time nor will it exert pressure regarding the Olympic Games.

Ueberroth himself said that Fidel Castro told him that it seemed "very normal" to him that Nicaragua and Angola should participate in the games, a statement that Ueberroth termed "sincere."

Apparently Ueberroth and Vasquez Rana were unable to get the Cuban authorities to agree to the participation of their baseball team in the exhibition games that will be held during the Olympics. Gonzalez Guerra said that it is a "difficult problem," but that the COC is ready to discuss the topic again.

Ueberroth and Vasquez Rana, who arrived in Havana last night (local time), said that they respect the Cuban decision not to attend the Los Angeles Games and were surprised by "the control of detail" which Fidel Castro has of the Olympic problems.

Regarding the meeting that should have been held by the Pan-American Sports Organization (PASO) beginning tomorrow in Havana, Vasquez Rana, who is also president of the PASO, denied that the fact that it had been called off was to penalize Cuba for not attending the games. "I made the decision to postpone the meeting to prevent a division within the PASO," Vasquez Rana said, noting that 2 days ago in Mexico 9 of the 36 members of the organization announced that they would not attend the meeting in Havana to protest Cuba's joining the boycott.

#### COC Official Reaffirms Stand

FL082104 Havana Domestic Service in Spanish 2039 GMT 8 Jun 84

[Text] Manuel Gonzalez Guerra, president of the Cuban Olympic Committee [COC] today said in Havana that Cuba's decision not to participate in the 23d Olympic Games in Los Angeles is irreversible. The decision was reiterated at a press conference this morning at the Palace of Conventions, at which Mario Vasquez Rana, president of the Association of Olympic Committees, and Peter Ueberroth, organizer of the Los Angeles Olympics, were also present.

Gonzalez Guerra stated that he did not think it was possible to send the Cuban baseball team to the Olympic Games to play an exhibition game as had been planned. He also said that if the rest of the athletes from other sports do not go to Los Angeles, it is useless to think about sending the baseball team because a distinction cannot be made between baseball and other sports.

DELAYS SEEN IN SPRING SUGARCANE PLANTING

FL081936 Havana Domestic Service in Spanish 1802 GMT 8 Jun 84

[Text] Planting efforts in the areas of the Spring Plan are showing considerable delays, for which they should receive a strong push during the remainder of June. During this period, it is also necessary to accelerate the preparation of the soil in all the areas of the Spring Plan, to recover from delays, especially in the peasant sector, and to have ready by 30 June no less than 50 percent of the fields to be sown for the cool season. Levels of the defoliation efforts should increase every day as should manual clearing and the application of high-quality herbicides. Before the end of July, it is necessary to complete the application of balanced and nitrogenized fertilizer as well as the first cultivation of the autumn areas -- all this to guarantee optimum agricultural yields.

COMMENTARY NOTES REAGAN ADMINISTRATION 'SETBACKS'

PA091750 Havana International Service in Spanish 0000 GMT 9 Jun 84

[Station commentary]

[Text] Ronald Reagan's government is nearing the end of its 4-year mandate, so Reagan is seeking to be reelected in November. Generally speaking, and analyzing the most complex aspects of the present international situation, we can say that Reagan's foreign policy has not achieved its main objectives. He has failed to obtain military superiority over the USSR; to overthrow the Nicaraguan revolutionary government; to strengthen the Salvadoran, Guatemalan and Honduran regimes; and to maintain a direct presence in the Middle East.

As for Cuba, Reagan's plans have also suffered serious setbacks. It is well known that the U.S. foreign policy is based on the Santa Fe Report. This plan called for a great propaganda campaign against Cuba to emphasize, as the report states, our country's alleged interference in the sister nations of the Americas. The anti-Cuban program underscores that if the propaganda campaign fails, then a war of liberation against Fidel Castro is to be declared. The Santa Fe Report states that the second alternative is to encourage Cubans to radically change their foreign policy. The report proposes that if the Cuban-Soviet alliance is ended, the U.S. should be generous and help restore the Cuban economy. Those were the proposals offered to Cuba by the Santa Fe theoreticians for the next 4 years; in other words, for our country to stop building socialism, to stop being a friend of the USSR, and to stop being internationalist. The measures proposed in the Santa Fe Report, included in Reagan's political platform before the 1980 elections, are the harshest since the Bay of Pigs invasion and the air and sea blockade during the October 1962 crisis.

However, as even sectors of the Republican Party understand, this policy has not yielded the expected results because Reagan has not been able to invade Cuba, Cubans have not rebelled against the government, and the Cuban economy has not gone backward despite an increase in the Yankee's blockade.

Regarding this, former U.S. Secretary of State Alexander Haig has said that the United States military defeat in Vietnam has markedly influenced the decision not to order a direct or an indirect aggression against Cuba. To this argument, we can add that imperialists know perfectly well that the Cuban people are well armed and prepared to overwhelmingly defeat aggressors.

So it can be said that the aggressive tone of the Ronald Reagan government declarations rose higher when hundreds of thousands of Cubans joined territorial militia troops. In addition, we can add that, despite crimes perpetrated by imperialists and their lackeys against Cuban civilian internationalists in Grenada and Angola, today more and more Cubans have expressed their willingness to help any undeveloped country that needs and asks for this aid.

Regarding the economy, the Cuban people's response has been to improve efficiency and production, be more disciplined, and continue attaining higher educational and technical levels. This has allowed us to increase our overall social production and raise the entire population's standard of living. This is in sharp contrast with the economic and social crisis that affects the other Latin American countries.

#### SOVIET PRESS CITED ON GOALS OF LONDON SUMMIT

PA081951 Havana International Service in Spanish 1600 GMT 8 Jun 84

[Text] The Soviet press says that the summit meeting of capitalist powers opened today in London by British Prime Minister Margaret Thatcher has become a political mechanism for preparing a global strategy against socialism. According to the newspaper PRAVDA, Washington seeks in London to obtain greater obedience from its allies and to avoid the grave economic problems of the West, stressing instead the political and military areas. The summit, PRAVDA adds, resembles a consultation near the bed of a gravely ill patient: There is consensus about the diagnosis, discussions about the prescription, fear that complications might arise, and agreement on the fact that there is no miracle cure.

Another Soviet paper, KRASNAYA ZVEZDA, notes that Ronald Reagan wants to use the London meeting for reelection purposes, by showing to the U.S. public a nonexistent community of interests between the United States and its allies.

#### SUMMIT ENDS 'WITH NO SPECIFIC RESULTS'

PA102327 Havana International Service in Spanish 1600 GMT 9 Jun 84

[Text] With no specific results, the 10th summit of the chiefs of state or government of the seven most industrialized capitalist nations will end today in London.

According to reports, U.S. President Ronald Reagan has not been able to convince his allies about Washington's alleged need to apply a financial economic policy which erodes international trade relations.

Furthermore, there are no reports on steps taken to alleviate the critical situation of the so-called Third World countries, burdened by a gigantic foreign debt which continues to grow due to the high interest rates applied by the United States, among other factors.

It is said that the subject of the enormous U.S. fiscal deficit and its link with persistent interest rate increases has left President Reagan practically isolated.

At a press conference in London, French Economy Minister Jacques Delors said he had lost all hope that the United States would lower interest rates. He said that lack of agreement on this matter could be considered the epitaph of the capitalist summit. He added that a (?collapse) in the international financial system has been prevented so far but warned that a social and economic crisis of incalculable consequences could occur any time.

ANGOLAN NEWS AGENCY COMMENTS ON NAMIBIA

PA090422 Havana International Service in Spanish 1800 GMT 8 Jun 84

[Text] Washington is attempting to make Namibia a sort of NATO military operations base, the Angolan news agency, ANGOP, has reported. In a commentary on the European tour that South African Prime Minister Pieter Botha is currently conducting, ANGOP notes Botha's talks with UK and FRG Government officials. It criticizes the U.S. plans to substitute Namibia's [word indistinct] administration for a multinational force comprised of troops from the UK, the FRG, the United States, and Canada. That would mean making that occupied territory a NATO maneuvers base, in the context of the U.S. aggressive policy throughout the world, which it is applying in a new violation of the UN resolutions on this matter, ANGOP notes. The commentary indicates that the only solution to the conflict is the immediate and unconditional withdrawal of the South African troops that are occupying Namibia, as stipulated in UN Resolution 435.

MEETING OF CONTADORA FOREIGN MINISTERS NOTED

To Tour C.A. States

PA080234 Havana International Service in Spanish 1600 GMT 7 Jun 84

[Text] The Contadora Group foreign ministers will leave this Saturday on a tour that will include the five Central American countries, where they will talk with the presidents of these countries on the status of their peace efforts. Special attention will be paid to the function of the Contadora Group Technical Commission and to the progress that the working groups have made on socioeconomic, political, and security issues.

Basis for Treaty Drafted

PA110018 Havana International Service in Spanish 1600 GMT 9 Jun 84

[Text] The Panamanian Government decorated the Contadora Group foreign ministers with the Order of Vasco Nunez de Balboa in the degree of the Grand Cross for their efforts for peace in Central America through dialogue and negotiations. At the ceremony held at the presidential Palace of the Herons, Panamanian President Jorge Illueca honored the Colombian, Mexican, Venezuelan, and Panamanian foreign ministers, Rodrigo Lloreda, Bernardo Sepulveda, Isidro Morales, and Oyden Ortega, respectively.

The Contadora Group foreign ministers met in Panama City on Friday to put the final touches on the document that they will deliver to the Central American presidents beginning today. The document is the basis for a regional general peace treaty. The tour of the Contadora Group representatives will begin in Costa Rica and will end on Sunday in El Salvador, where they will make a final evaluation of their trip.

Visit Nicaragua, Guatemala

PA102026 Havana International Service in Spanish 1600 GMT 10 Jun 84

[Text] The Contadora Group foreign ministers have arrived in Guatemala City. This is the latest stop in their tour through the five Central American nations to find a negotiated solution to the conflicts of the region. The foreign ministers will meet with General Oscar Mejia Victores, the boss of the Guatemalan regime, with whom they will discuss a document that contains the basis for a peace treaty.

Before departing for Guatemala, the Contadora Group ministers met in Managua with Sergio Ramirez, member of the Nicaraguan Government Junta, who reiterated the Sandinist authorities' willingness to make common efforts to secure peace in Central America. Sergio Ramirez said that these efforts will be carried out in the framework of the principles of sovereignty, independence, and self-determination of the nations of the area.

The Contadora Group foreign ministers gave the Nicaraguan authorities a document called the Contadora draft for peace and cooperation in Central America. The draft includes the works of the political, social, economic, and security commissions; regulations of a legal nature; and principles of a political nature on peaceful coexistence, as well as recommendations to favor the Central American process.

PASTORA SUSPECT REPORTEDLY MET ARDE LEADERS

PA082214 Havana International Service in Spanish 0000 GMT 8 Jun 84

[Text] The Costa Rican newspaper LA REPUBLICA has reported that the fake newsman and main suspect in the attempt on the life of Nicaraguan counterrevolutionary leader Eden Pastora was in contact with anti-Sandinist leaders in San Jose. LA REPUBLICA says that the alleged Danish reporter Peer Hansen der Anker met with Democratic Revolutionary Alliance [ARDE] leaders Alfonso Robelo, Brooklyn Rivera, Alvaro Jerez, Jose Davila, and ARDE's spokesman Orion Pastora. The paper also reports that Hansen was in Costa Rica from 15 to 31 May and that he attended Pastora's news conference with forged credentials. According to latest reports, Hansen was invited by ARDE.

SALVADORAN GUERRILLAS' OFFER OF DIALOGUE CITED

PA072224 Havana International Service in Spanish 1600 GMT 7 Jun 84

[Text] The Salvadoran guerrillas have reiterated their willingness to hold a dialogue without preconditions with the Salvadoran regime, but President Jose Napoleon Duarte has refused to cooperate in finding a political solution to the conflict.

The FMLN and the FDR indicated that the preconditions that the authorities have set down, demanding, for example, that the guerrillas put down their arms before talks begin, are unacceptable. A delegation from these two Salvadoran organizations met with Costa Rican Vice President Alberto Fajal Lizano in San Jose, Costa Rica, to tell him that they are willing to hold a dialogue without preconditions and with an open agenda, which, in their opinion, is the only way to solve the current conflict. The Costa Rican Government has offered to act as a mediator for the Salvadoran regime and the guerrilla leaders should talks be held.

Meanwhile, it was learned in San Salvador that the extreme rightist parties -- the Nationalist Republican Alliance [ARENA] led by Major Roberto D'Aubuisson and the National Conciliation Party [PCN] -- are now in charge of the administration of justice, while the Christian Democratic Party has been left out of it completely.

It was also learned that hundreds of relatives of political prisoners who were killed or made to disappear for political reasons marched along San Salvador's main streets to demand that Duarte show proof of the democracy of which he so often speaks.

#### MANEUVERS IN HONDURAS TERMED 'PROVOCATION'

PA080241 Havana International Service in Spanish 1800 GMT 7 Jun 84

[Excerpt] U.S., Salvadoran, and Honduran soldiers began a mock attack on an enemy-controlled airport in Honduras today, in what is obviously a provocation of Nicaragua. The exercise, held some 50 km from the Nicaraguan border, is part of the "Grenadier I" maneuvers, and involved 120 U.S. soldiers, 160 Salvadoran soldiers, and 470 Honduran troops who were transported in U.S. Air Force Hercules C-130 airplanes. General Walter Lopez Reyes, chief of the Honduran Armed Forces, and General John Schieldt supervised and controlled the actions from one of the aircraft, as commander and deputy commander of the exercise.

#### NICARAGUA'S TINOCO CITED ON TALKS WITH U.S.

PA090250 Havana International Service in Spanish 1800 GMT 8 Jun 84

[Text] Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco has said that if the United States really wants to reach an understanding with Nicaragua it must stop its aggressive policy toward that country. Tinoco will represent the Nicaraguan Government in future talks with the U.S. Government, which appointed special U.S. Ambassador Harry Shlaudeman. In reference to Secretary of State George Shultz' visit to Managua last week, Tinoco said that what appears to be an attempt by Washington to talk with Nicaragua must be backed with concrete actions, beginning with the suspension of counter-revolutionary attacks.

Other reports in Managua indicate that with the finding of 2 more bodies of former Somozist guardsmen east of Ocotal, the contra casualties in that area rose to more than 50. Several hundred mercenaries attacked Ocotal, capital of Nueva Segovia Department, last Friday but were repelled by the Sandinist forces.

#### NICARAGUA CONVOKES JOINT BORDER COMMISSION

FL071314 Havana Domestic Service in Spanish 1000 GMT 7 Jun 84

[Text] Nicaragua has convoked the joint Costa Rican-Nicaraguan Supervision and Prevention Commission to investigate an attack from Costa Rica on the border area of Penas Blancas and other areas. A Nicaraguan Foreign Ministry communique reports that on Tuesday an undetermined number of mercenary groups attacked Nicaraguan border areas with the support of the Costa Rican Rural Cuad [Guardia de Asistencia Rural]. The document states that the aggressors used Costa Rican customs installations to perpetrate the criminal attack, in which a member of the Sandinist People's Army was wounded.

CARICOM EDUCATION, FOREIGN MINISTERS TO MEET

FL072020 Bridgetown CANA in English 1645 GMT 7 Jun 84

[Text] Georgetown, Guyana, June 7 (CANA) -- Two ministerial Caribbean Community (Caricom) meetings are scheduled to be held before the heads of government summit in the Bahamas in July, a spokesman for the Secretariat said today. The 10th meeting of Caricom education ministers will be held on June 17 and 18 in Barbados at which matters relating to educational projects in the region and the movements educational thrust will be discussed, the official said. The region's foreign ministers will meet on June 29 in Nassau, the Bahamas, and will prepare for discussion of some issues at the summit. The spokesman said the foreign ministers would seek to reach consensus on the position of Grenada and the need for a better understanding among the countries that supported the U.S.-led invasion in October and those that opposed it.

INTEREST IN 'STRUCTURAL ADJUSTMENT' INCREASING

WA081492 Rome IPS in English 2 Jun 84

[By Fitzroy Nation]

[Text] Kingston, June 2 (IPS) -- Suddenly, the term "structural adjustment" has jumped from the pages of economic journals to the top of the Caribbean's economic policy agenda.

Regional governments anxiously searching for ways to increase foreign exchange earnings are being urged to adopt painful adjustment policies seen as necessary to improve their chronic balance of payments crises. Under these policies Caribbean governments have opened their economies to exports from nations outside the region, severely devalued their currencies, and reduced government subsidies and other spending.

At the recently-concluded Caribbean Development Bank (CDB) annual general meeting here, held amid growing concern about the region's worsening economic prospects, structural adjustment emerged as the main talking point. "There is no room for narrow protectionism which confines us to small borders," said Jamaican Prime Minister Edward Seaga in a keynote speech. "We must...open our economies, (thus) sharpening our ability to compete, attacking new and bigger markets to generate greater sales, earn more foreign exchange..."

President of the CDB, economist William Demas, supported this view. Structural adjustment, he said, was "a forced march" towards continuing economic growth. The lack of internal and external balance in regional economies over the past ten years may have gone deeper than could be put right by policies of mere economic stabilization, according to the CDB president. "A structural adjustment program is what is also called for," said Demas.

The Economic Commission of Latin America (ECLA) says adjustment is necessary when a country's budget deficit exceeds the maximum amount that the economy is able to finance either by attracting foreign loans and investment or by using its foreign reserves.

Jamaica launched a structural adjustment program in 1981, and the Seaga government is enthusiastic about its progress. Elected on a free-enterprise ticket in 1980, the ruling Jamaica Labour Party (JLP) has a policy of attracting foreign private investments and restoring full private sector control of the economy.

The structural adjustment being undertaken in this northern Caribbean island with a \$70 million World Bank loan involves the gradual dismantling of import restrictions. A wide range of products previously banned or requiring specific license have been allowed free access. The purpose of opening the local market is to expose the small manufacturing sector to competition. The government's hope is that this will force Jamaican producers to raise their standards, thus enabling them to battle in the overseas marketplace.

For decades, a fledgling manufacturing sector in Jamaica and elsewhere in the Caribbean has been protected by strict adherence to import-substitution policies, and sustained by exports to the easily accessible Caribbean Community (Caricom) market. The Seaga government has openly discouraged local exports from concentrating on Caricom, urging them to opt instead for the vital "hard currency" markets in North America.

In any event, regional trade has been cramped by import restrictions imposed by Caricom members because of their economic difficulties.

Alister McIntyre, deputy secretary general of the U.N. Conference on Trade and Development (UNCTAD), views the trade crisis in Caricom as "a classic case of structural disequilibrium in a common market." Speaking in the southern Caribbean nation of Trinidad and Tobago recently, where he was guest speaker at the University of the West Indies (UWI) campus there, McIntyre said the present Caricom trade problems were "not temporary." Since 1975, intra-Caricom trade has declined, McIntyre said. In a situation of negative growth where trade is constrained by an overall shortage of foreign exchange, "partner states tend to see integration as a zero sum game whereby one can only gain if others lose."

A "concerted program of structural adjustment" is necessary, he added. At the Caribbean Development Bank meeting, there was general support for the idea of structural adjustment.

Seaga indicated that he would take his structural adjustment crusade to the July 4-7 Caricom heads of government parley in Nassau, Bahamas. His audience is likely to be receptive, not only because the free enterprise economic policies adopted by Jamaica are attractive to the mostly conservative governments in the region, but because options in the Caribbean are limited.

But structural adjustment has left a bitter taste in the mouths of many Jamaicans and deep holes in their pockets. The program has been undertaken simultaneously with the government's efforts to satisfy conditions attached by the International Monetary Fund to a package of credits. Private firms unable to compete with the flood of imports have gone bankrupt. Devaluation of the Jamaican dollar has made locally-produced goods more competitive, but increased prices locally beyond the reach of poor and middle-income consumers. The pruning of public sector expenditure will result in job losses in an area once regarded as offering stable employment. Seaga calls this "the pain of adjustment."

UNCTAD's McIntyre acknowledged that "immediate cuts in the standards of living in order to open the way for new patterns of growth" would be necessary for successful structural adjustment to take place.

"There is no way in which countries can implement policies of structural adjustment without taking very painful decisions," he said.

ANTIGUA AND BARBUDATECHNICAL COOPERATION AGREEMENT SIGNED WITH PRC

FL071454 Bridgetown CANA in English 1428 GMT 7 Jun 84

[Text] St Johns, Antigua, June 7 (CANA) -- Antigua and Barbuda has signed a technical cooperation agreement with the People's Republic of China covering assistance in the areas of agriculture and education, a government statement here said. Under the programme costing over one million dollars (U.S.), China will send experts to Antigua for periods of up to two years to train and work alongside their counterparts in the fields of education, agriculture, and laboratory facilities. The agreement also includes a gift of some one thousand desks and chairs to the government for use in schools.

Addressing the signing ceremony, Economic Development Minister Lester Bird said that projects like these help to narrow the distances between countries, develop close relations between them, and promote growth among the Third World. China's representative, Xu Fukui, said the technical cooperation agreement was the latest proof of the success of last year's official visit to China by Antigua-Barbuda Prime Minister Vere Bird. In July last year, Bird made a month-long trip to the Far East for talks with potential investors.

GRENADADECO INDUSTRIES DISPUTE SETTLED, WORKERS REHIRED

FL041524 Bridgetown CANA in English 2121 GMT 3 Jun 84

[Text] St George's, Grenada, June 3 (CANA) -- The dispute between a Grenada trade union and a garment manufacturing company over the dismissal of 45 employees has ended with the management of the company agreeing to reinstate the workers, according to Eric Pierre, the general secretary of the Grenada Seamen and Waterfront Workers Union. Pierre said the management of Deco Industries had given a written undertaking to withdraw the dismissal notices. Pierre also said that the company, which claimed it was forced to dismiss the employees because of a downturn in business, further agreed to meet with the union to discuss relations between the two.

He said that after considering the company's claim of a drop in export sales, the union had proposed that some employees be rotated, working two weeks a month. This was accepted by the company and talks are expected to take place between the union and Deco Industries on the question of payment for the workers over the near two weeks that they were off the job picketing the building demanding their reinstatement, Pierre said.

HAITIIMF FLEXIBILITY SOUGHT; AUSTERITY TO CONTINUE

PA070424 Paris AFP in Spanish 1259 GMT 6 Jun 84

[Text] Port-au-Prince, 6 Jun (AFP) -- Haiti will seek a more flexible attitude from the IMF, thus joining in "the recent common statement issued by the Mexican, Argentine, Colombian, and Brazilian presidents on the foreign debt of the continent's nations and seeking greater flexibility by the international banks toward the Third World." This was contained in a communique issued by the Haitian Government, stating that Haiti will also continue its current austere financial policy.

The communique noted that the flexibility requested from the IMF should "permit a reduction of the pressure on the pace of public investment and support the renewal of different projects that are required to continue the nation's economic and social development."

The economic crisis that is affecting Haiti has created serious incidents that have already resulted in three dead and several wounded on 23 and 29 May in two different cities.

#### JAMAICA

#### MANLEY ATTACKS SEAGA'S ECONOMIC DEVELOPMENT PLAN

FL061430 Bridgetown CANA in English 2326 GMT 5 Jun 84

[Text] Kingston, Jamaica, June 5 (CANA) -- Former Jamaican Prime Minister Michael Manley in a strident attack on the policies of the Edward Seaga administration charged Monday night here that the government had "failed miserably" in attempting to implement the Puerto Rican model of economic development. Manley, at a rally in Kingston, also predicted economic targets set by the administration for the 1984-85 fiscal year could not be met, and that the government would "sneak" another 400 million dollars (1 Jca dollar; 26 cents U.S.) in revenues on the people this year to supplement the 183 million (J) dollar tax package already announced.

Manley's Democratic Socialist People's National Party (PNP), which increased state participation in the economy, was ousted from office in 1980 after nearly nine years in power. Since then the centre-right Jamaica Labour Party (JLP) of Prime Minister Edward Seaga has been attempting to implement a policy in which it says the private sector will be "the engine of development," and which has taken the island economically and politically close to the United States.

"This bastard off-spring of the Puerto Rican model has failed miserably to improve the living standards of the people because it cannot work here," Manley told thousands of supporters in Kingston's Half Way Tree Square. The ex-prime minister said that the model was based on a three-pronged policy of economic deregulation, no role for the state, and foreign investment to be the leader of economic recovery.

He said that by deregulating the economy the government had opened the country to massive imports that tremendously widened the trade deficit while at the same time pushing small farmers and small manufacturers out of business because they could not compete with the imports. The result, Manley said, was that the government had borrowed massively to attempt to keep election promises but the external debt rocketed making Jamaica "the number one beggar nation in the world."

Manley argued that the Seaga administration, constantly harping that Jamaica was a middle income country, had failed to come to terms with the island being a Third World nation and all that this implied. He said that the PNP welcomed foreign investment to help in development, but stressed that foreign investment could not be the total solution to the country's deep economic problems. "We have to come to the position where we accept that we are only going to solve our problems by the work of our own hands", he declared.

On the 3.9 billion dollar budget Seaga has presented for the current fiscal year, Manley charged that the revenue projections could not be met and neither could the proposed expenditure level.

Seaga had announced that he intended to increase total revenues from approximately 1.7 billion dollars during the last fiscal year to 2.7 billion dollars. The bulk of this would come from an increase in the tax intake from approximately 1.5 billion to 2.065 billion dollars. Additionally, the government's take from the bauxite alumina industry would rise from 140 million dollars last year to 483 million dollars in 1984/85.

Even with the 183 million dollars announced by the government and an additional 340 million dollars from bauxite, which he said was doubtful, Manley argued that there would be a revenue shortfall of over 400 million dollars "which are to come upon you like Nicodemus in the night." He expected that a sizeable portion of this would be raised through ad valorem taxes. He also said that it would be almost impossible to keep the recurrent budget to the projected 2.8 billion dollars short of closing down part of the state machinery.

#### MINING, ENERGY COOPERATION DISCUSSED WITH DPRK

FLO41742 Bridgetown CANA in English 1719 GMT 4 Jun 84

[Text] Kingston, Jamaica, June 4 (CANA) -- Jamaica and North Korea have discussed the possibility of economic co-operation in mining and energy, according to the Jamaica Information Service (JIS). JIS said the issue was recently discussed between Mining and Energy Minister Hugh Hart, and new Korean ambassador to Kingston Yu Yong-Hop.

Hart, according to JIS, informed the ambassador of plans to develop hydro energy and other indigenous sources such as peat. From peat, he said, Jamaica hoped to get about 90 to 100 megawatts of electricity, which represents 35 per cent of the country's needs. The development of alternative sources, he said, was very important for Jamaica in terms of saving foreign exchange. Responding to a question from the ambassador about foreign assistance in the development of these sources, Minister Hart said that foreign aid in the form of financing and expertise would be required.

Ambassador Yu noted that Korea had much experience in the building of medium and small size hydro units and was interested in developing economic co-operation with Jamaica in this area. He said that experts from Jamaica could visit Korea to observe the programme there and see if there was anything from which the country could benefit. Economic co-operation, he said, could also be developed between both countries if Jamaica could supply Korea with minerals.

#### BREAD PRICES UP 48 PERCENT; MORE HIKES EXPECTED

FLO62246 Bridgetown CANA in English 2156 GMT 6 Jun 84

[Text] Kingston, Jamaica, June 6 (CANA) -- Bread prices in Jamaica went up today by 48 per cent with the prospect of further hikes in the cost of meat, milk, and eggs as currency devaluations here continue to take their toll of the cost of living. According to the Industry and Commerce Ministry, the regular two pound loaf of bread has gone from J1.66 dollars to J2.66 dollars (one Jca dollar; 26 cents U.S.), reflecting the rising cost of ingredients because of the sharp devaluation in the local currency since last November.

The problems for consumers have been sharpened by steep cuts in government subsidies in line with International Monetary Fund (IMF) conditions for balance of payments support being sought by the government.

Yesterday the cost of animal feed rose by 90 per cent, which industry officials said could mean a rise in the cost of chicken, pork, beef, eggs, and milk -- all of which have gone up here this year, and in the case of chicken meat more than once. Yesterday toilet paper rose 29 per cent and other paper products are expected to up by 40 per cent.

The exchange rate for the Jamaica dollar in the parity fixing Central Bank auction system has established at just under J4 dollars to one U.S. dollar in the past few weeks, but business and consumer officials say the price increases are not yet at an end.

#### SEAGA SAYS ALPART STRIKE AIMED AT SHUTDOWN

FL062328 Bridgetown CANA in English 2219 GMT 6 Jun 84

[Text] Kingston, Jamaica, June 6 (CANA) -- Jamaica's Prime Minister Edward Seaga charged Tuesday night that a strike called by the opposition-aligned National Workers Union (NWU) at the Alpart Alumina Refinery here was aimed at a permanent shutdown of the plant and a hardening of the country's economic crisis. "I can only regard it as a calculated move to close Alpart for good," Seaga told Parliament as he closed debate on the 3.9 billion dollar (1 Jca dollar; 26 cents U.S.) budget.

Meantime, Alpart has threatened to terminate contracts for the building of a new cable belt system to haul bauxite and shutdown the project if workers on the scheme, out apparently in support of 700 striking production workers, do not return to their jobs by eight am Friday. The termination of contracts would mean no employment for the belt-line workers who are technically employed with the contractors. The two-year-old project that also involves opening new mines, and costing 100 million U.S. dollars, is nearing completion.

The Alpart (Alumina Partners) Refinery closed last Friday when the production workers, seeking a 97 per cent wage increase, walked off the job as their negotiations remained deadlocked after the required 72-hour strike notice. The company offered an 18 per cent increase. They were later followed by workers on the belt-line project who are represented by the NWU, but who have a separate contract.

At a meeting with Labour Ministry officials Monday, Alpart, saying that it had no dispute with the belt-line project workers, declared they would have to return before it negotiated on the production workers contract. The company repeated its position to the ministry Tuesday. "Alpart took the position that either the workers on the belt-line project resume by 8 am this week Friday or they terminate all the contracts, in either case they would then be in a position to resume negotiations next week on a collective agreement for the production workers," the government's chief labour conciliator, Tony Irons, said today. However, the NWU's chief bauxite negotiator, Lascelles Perry, had argued Tuesday that though the contracts were technically separate they were closely related.

The 1.2 million tonne refinery has been operating at only half its capacity. And, Prime Minister Seaga told Parliament that its closure meant a loss in foreign exchange of half a million dollars weekly, plus 1.7 million dollars on the budget.

Seaga recalled that a year ago, Alpart's owners, Kaiser, Reynolds, and Anaconda, had wanted to shut the plant because of the soft world aluminium market, but had, after negotiations with the government, decided to keep it open for a year.

"It is at a time that the company is about to conclude an agreement in respect of a period of time when it remains open, with its future still undecided and hanging in the balance but hoping to continue, that a strike notice is served on this company which is known to be weak and reluctant to stay open," Seaga said. Seaga said that the quarrel should not be considered only as a strike for better pay, and that some people would have questions to answer from the country and workers if the plant were to close for good.

#### GOVERNMENT RELENTS ON CLOSURE OF SUGAR ESTATE

WA081621 Rome IPS in English 1 Jun 84

[Text] Kingston, June 1 (IPS) -- The Jamaican Government has relented on a decision to close a sugar factory in the north coast parish of Trelawny, after strong protest from workers, citizens, and political opposition groups.

Agriculture Minister Percival Broderick told Parliament yesterday that the Long Pond factory in Trelawny was one of four sugar farms selected to be "privatized" in a reorganization program. Long Pond was among the state-owned sugar factories slated for closure by the conservative Edward Seaga government as part of reduction in public sector spending.

But the decision to close Long Pond triggered howls of protest from workers and citizens in Trelawny. The main opposition People's National Party (PNP), contending that the estate was the most important economic activity in that part of the country, joined the protests. Closure, the citizens said, would be devastating for the parish and would swell the ranks of the unemployed. Further, the estate had demonstrated it could be run profitably with adequate financing, workers insisted.

Broderick announced that since the government had announced the selection of four factories to be put into private hands, the Long Pond factory had shown "remarkable recovery."

The three other state farms to be similarly privatized are Frome in the western parish of Westmoreland, Monymusk in the mid-island parish of Clarendon, and Bernard Lodge in southeastern St Catherine.

The decision to close -- and now to divest -- the sugar factories was based on projections of a total loss of some \$30.75 million over the next three years, said Broderick.

#### PRIVATE SECTOR WANTS END TO POLITICAL VIOLENCE

WA081635 Rome IPS in English 1 Jun 84

[Text] Kingston, June 1 (IPS) -- Jamaica's business community is calling on leaders of the nation's two main political parties to take action to end political violence.

In a statement last night, the Private Sector Organization of Jamaica (PSOJ), which groups the northern Caribbean island's main private sector bodies, said the threat of political violence was the "greatest danger" facing the society.

It said only "meaningful and determined" joint action by the leaders of the ruling Jamaica Labour Party (JLP) and opposition People's National Party (PNP) could "arrest the apparent escalation of violence."

The PSOJ was apparently responding to a recent outbreak of political violence in the slums of western Kingston when rival JLP factions fought gun battles in which seven people were killed, several homes burnt, and property destroyed.

Fighting reportedly broke out when dissident JLP supporters tried to defect to the opposition PNP, saying conditions had not improved since the Edward Seaga government took office in 1980.

The flare-up was followed by strong public protest. The security forces have been criticized for not dealing resolutely with the gunmen who used sophisticated weapons. PNP President Michael Manley has called for a public inquiry into the incident, and has urged meetings between the PNP and JLP to end political violence. Prime Minister Seaga subsequently agreed to the meeting of the two parties.

The PSOJ said it welcomed the decision of the parties to meet but maintained it would take "more than talks at the level of party general secretariats to do what needs to be done." "If both political leaders demonstrate the desired degree of statesmanship by denouncing those members of their respective parties who are identified with political violence, and publicly declare their support for the security forces in the impartial execution of their duties, the PSOJ is convinced it will have a salutary effect in averting the calamity which would overtake us."

PSOJ President Samuel Mahfood received wild applause from rank and file policemen May 30 when he declared that politicians should not tie the hands of the police. Mahfood was speaking at the annual conference of the Police Federation. He said a "clear message" should be sent to political leaders that action was needed to remove illegal guns from the society and "that the police must have a free hand to bring in the guns."

#### TRINIDAD AND TOBAGO

##### 16-MEMBER NONPARTISAN MISSION SENT TO GRENADA

FLO72204 Bridgetown CANA in English 2111 GMT 7 Jun 84

[Text] Port of Spain, Trinidad, June 7 (CANA) -- Trinidad and Tobago is dispatching a 16-member non-partisan mission to neighbouring Grenada Monday to investigate how this country can help the spice isle in the aftermath of last October's political upheaval there, official sources said today. The team is headed by retired high court Judge Ulric Cross and includes six parliamentarians including ruling People's National Movement (PNM) back bencher Sham Mohammed and opposition (National Alliance) Chief Whip Nizam Mohammed. The mission was decided upon by Prime Minister George Chambers, in consultation with opposition leader Basdeo Panday.

External Affairs Minister Senator Basil Ince yesterday told a meeting with members of the mission: "I can assure you that your findings will be taken seriously by the government (of Trinidad and Tobago) and we will move with dispatch to implement those findings as long as they are in the interest of the people of both countries."

The mission also includes representatives from labour, religious organisations, youth groups, and women's interests.

The Trinidadians will spend six days in Grenada.

Last October 25 saw a United States-led invasion of Grenada to topple a short-lived military junta that had seized power from Prime Minister Maurice Bishop. Bishop and three Cabinet colleagues were killed in the coup.

GUYANA'S BURNHAM STOPS OVER, DISCUSSES CARICOM

FLO61816 Bridgetown CANA in English 1747 GMT 6 Jun 84

[Text] Port of Spain, Trinidad, June 6 (CANA) -- Guyana's President Forbes Burnham met with Trinidad and Tobago's Prime Minister George Chambers at Piarco Airport, 12 miles east of here, yesterday for "friendly and fruitful" informal talks on regional and international issues, the EXPRESS newspaper reported today.

The paper quoted Burnham, who stopped here on his way to Bulgaria and China for official visits, as saying that the talks centered on two issues which were to be raised at the forthcoming Caribbean Community (Caricom) heads of government summit in the Bahamas next month.

These, he said, were the deepening rather than the widening of the 13-nation regional integration movement and the need for a regional food and agricultural programme.

According to the EXPRESS, Burnham also indicated Guyana's interest in Trinidad's steel products.

The paper also quoted Foreign Minister Rashleigh Jackson as saying that Guyana's attendance at the Nassau summit "at the highest level" should not be taken as an indication that the Burnham government was recognising the interim administration in Grenada, which is also expected to attend the meeting.

Guyana, Trinidad and Tobago, Belize, and the Bahamas criticised last October's U.S.-led invasion of Grenada -- which was at the invitation of the Organisation of Eastern Caribbean States (OECS) -- after a military junta had seized power in a bloody coup.

CENTRAL BANK ON ECONOMY'S 'MIXED PERFORMANCE'

FLO61122 Bridgetown CANA in English 2318 GMT 5 Jun 84

[Text] Port of Spain, Trinidad, June 5 (CANA) -- Trinidad and Tobago's petroleum-based economy turned in "a mixed performance" during the first three months of this year, according to the Central Bank's first quarterly economic bulletin for 1984, just published.

Oil and fertiliser production climbed, but a lot less cement was produced, the country had a near billion dollar current account deficit, and a foreign reserve's fall of half a billion dollars (one TT dollar; 41 cents U.S.), but these represented an improvement on the January-March 1983 figure, according to the bank.

The bank said evidence of a deceleration in the rate of decline of crude petroleum output noted in the previous quarter was now further confirmed. Crude oil production averaged 160,044 barrels per day during the January to March period, "marginally higher" than output in the previous quarter. "There is the prospect of a small increase in crude petroleum output in 1984," the bulletin added.

Fertilizer production and exports continued to be "strong" as demand in international markets increased and fertilizer prices continued to move upward. The bank said that fertilizer output was 319,000 tonnes or two percent higher than in the previous quarter, despite the closure of a plant by a major producer.

While not having data available in other sectors of the economy, the bank felt that "instances of retrenchment and industrial unrest are likely to have adversely affected production in several areas."

Industrial unrest has been reported in several companies in a year when more than 100 pay agreements are due to come up for negotiation. Trade unions are also bristling over low or zero wage increase offers made by some employers who say they have been adversely affected by the country's current economic downturn.

The bulletin pointed out that in the case of the state-owned cement industry, output in the first two months of 1984 was 43 percent lower than in the first two months of the previous quarter. This, the bank said, was due to "industrial unrest at the factory."

The central bank warned "the increasing evidence of industrial action does not augur well for maintaining or increasing the level of production over the medium term."

The bulletin said government's fiscal operations posted a cash flow deficit of 992 million dollars during the quarter under review. This was 10 percent lower than the deficit posted during the corresponding quarter for last year. "The relative reduction in deficit in the face of declining revenues is indicative of the generally tighter expenditure controls that have been instituted," said the bank.

The George Chambers' administration has been employing foreign exchange sales curbs on inessentials as one way of keeping hard currency at home in the light of declining revenues from oil, which accounts for about 80 percent of this country's exports.

Recent budgetary measures also instituted cutbacks in public spending, removal of subsidies on several consumer goods, and increased taxes as a means of raising money on the domestic front.

"Capital expenditure is running well below the levels of previous years," the bank noted. In the first quarter of this year, government expenditure totalled 2.0 billion dollars, compared with 2.2 billion dollars in the first quarter of 1983.

The composition of expenditure demonstrates "a continuing decline in emphasis in capital expenditure," the bulletin noted. Capital expenditure in the first quarter of 1984 accounted for 316 million dollars or 16 percent of total expenditure, compared with 24 percent in the corresponding quarter of the previous year and 21 percent for all of 1983.

The bank showed that government (internal) revenues fell again in the first quarter of this year to 1.01 billion dollars from 1.11 billion dollars in the first quarter of 1983. The bank, however, expected revenue yields to "strengthen" as measures introduced in the January 1984 budget are implemented and begin to take effect.

The bulletin noted that the country recorded a favourable trade balance of 232 million dollars in merchandise trade, excluding mineral fuels under processing agreements in the last quarter of 1983. This followed seven consecutive quarters of deficit. Figures were not available for the first quarter of this year.

According to the bulletin, Trinidad and Tobago's foreign exchange reserves fell by 501 million dollars or 10 percent to 4.4 billion dollars between December 31, 1983 and April 3, 1984. This was "significantly less" than the decline experienced in the corresponding quarter of 1983, the bank added.